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Social Security Bulletin

February 1939

Special Articles

Unemployment Compensation Statistical Reporting

**Seasonal Workers Under the Mississippi
Unemployment Compensation Law**

Merit-System Standards in Social Security Administration

**Estimated Numbers of Persons in Employments
Excluded From Old-Age Insurance**

**Sex, Marital Status, and Living Arrangements
of 1,000,000 Recipients of Old-Age Assistance**

Cash Benefits Under Voluntary Disability Insurance

SOCIAL SECURITY BOARD

WASHINGTON, D. C.

Volume 2

Number 2

SOCIAL SECURITY BOARD

WASHINGTON, D. C.

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The Social Security Bulletin is published monthly under authority of Public Resolution No. 57, approved May 11, 1922 (42 Stat. 541), as amended by section 307, Public Act 212, Seventy-second Congress, approved June 30, 1932. Publication is approved by the Director, Bureau of the Budget, as required by Rule 42 of the Joint Committee on Printing.

The Bulletin is prepared in the Bureau of Research and Statistics, of which Ewan Clague is Director, and is under the editorial supervision of Mary Ross. It reports current data on operations of the Social Security Board and the results of research and analysis pertinent to the social security program. Expressions of opinion in signed articles represent viewpoints of the author rather than official opinions of the Board.

Correspondence in regard to published data should be directed to the Social Security Bulletin, Bureau of Research and Statistics, Social Security Board, Washington, D. C.

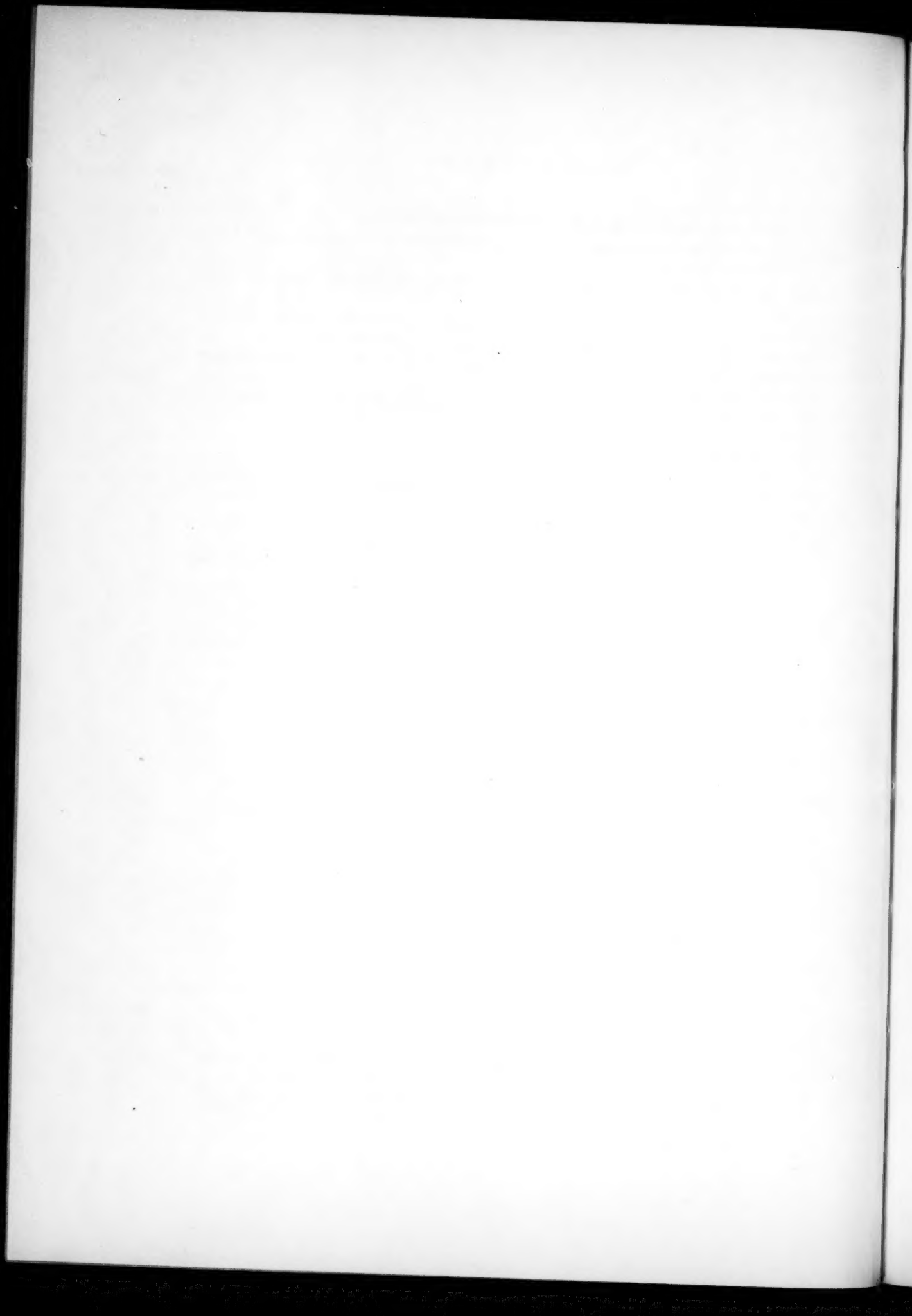
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Social Security Bulletin

Volume 2

FEBRUARY 1939

Number 2

SOCIAL SECURITY IN REVIEW

With the beginning of 1939, the social security program enters the fourth full year of its development. The progress made by the Federal Government and the States in implementing the provisions of the Social Security Act during the period since Federal funds first became available is amply demonstrated by comparison of data on operations under the several programs in 1938 with data for earlier periods. December statistics for the several programs under the act, presented in this issue of the Bulletin, round out the calendar year and thus make it possible to summarize another full year's operations.

By the end of 1938, unemployment benefits were payable in 30 States and the District of Columbia. During the year, regular weekly payments amounting to nearly \$400 million were paid to approximately 3.8 million unemployed workers in these States for varying periods of total and partial unemployment. Prior to 1938, benefits were paid under this program only in Wisconsin. In January 1939, 16 additional States, Alaska, and Hawaii began to accept claims for benefits from insured workers, while the 2 remaining States were preparing to inaugurate benefit payments in July of this year.

As of December 31, 1938, the unemployment trust fund in the United States Treasury held assets amounting to nearly \$1,085 million, representing total deposits and interest credited to the separate accounts of all the States, less sums withdrawn for benefits. Receipts of the fund from all States during 1938 amounted to approximately \$838.7 million, while withdrawals for benefits by the 31 jurisdictions in which benefits were payable during part or all of the year aggregated about \$404 million.

The assignment of nearly 6 million employee account numbers under the old-age insurance program during 1938 brought the cumulative total of

such numbers issued to more than 42.6 million at the close of the year. During the year more than 37 million individual wage reports were received by the Board for each half of the calendar year 1937, and wages included in these reports, amounting to about \$28 billion in the aggregate, were posted to the accounts of over 30 million individuals who had received remuneration for part or all of the year from employment covered by the system. Nearly 267,000 claims for lump-sum payments, amounting to more than \$11 million, had been certified to the Treasury Department by the Social Security Board by the end of 1938.

A total of \$343 million was transferred during 1938 to the old-age reserve account in the United States Treasury from appropriations available for the period. These transfers, with investment of accumulated interest, brought the total amount of investments held in the account to \$862.3 million as of December 31.

All 48 States, the District of Columbia, Alaska, and Hawaii were participating in one or more of the Federal-State programs for public assistance under the Social Security Act at the end of 1938. Payments were made under approved plans for old-age assistance in all 51 jurisdictions for December 1938; 42 jurisdictions were participating in the programs for aid to dependent children and aid to the blind. For December 1937, payments to recipients were made under approved plans for old-age assistance in 50 jurisdictions, for aid to dependent children in 39, and for aid to the blind in 37.

In December 1938 there were approximately 1.8 million recipients of old-age assistance and nearly 43,000 recipients of aid to the blind under plans approved by the Social Security Board, and aid was provided on behalf of more than 650,000 dependent children in 265,000 families in States participating in the program. Obligations in-

curred from Federal, State, and local funds for payments to recipients of these three types of public assistance in States with approved plans amounted to more than \$495.2 million for the calendar year 1938. Of this amount, nearly \$391 million, or about 79 percent, represented payments to recipients of old-age assistance; \$93.3 million, or nearly 19 percent, was for aid to dependent children; and about \$10.9 million, or a little more than 2 percent, for aid to the blind.

In 1938, as in 1937, payments to recipients of the special types of public assistance represented a substantial part of all public-relief payments in the continental United States. For the year 1938, all types of public aid in the continental United States, exclusive of transient care and administrative expense, amounted to nearly \$2,996 million, an increase of more than 28 percent over the total for 1937. Obligations incurred for payments to the special types of public assistance, including payments from State and local funds under plans financed without the aid of Federal funds, amounted to 17 percent of this total.

On February 1, public hearings on social security legislation were begun by the Committee on Ways and Means of the House of Representatives. The hearings are concerned with various proposals for amendment of the Social Security Act, including the changes recommended by the Social Security Board which were transmitted to the Congress by the President with his message of January 16. (See the Social Security Bulletin, January 1939.)

On January 23 the President delivered to the Congress a special message on health security, transmitting the report and recommendations of the Interdepartmental Committee to Coordinate Health and Welfare Activities, which includes representatives of the Departments of Agriculture, the Interior, Labor, and the Treasury, and of the Social Security Board, with Josephine Roche, formerly Assistant Secretary of the Treasury, as chairman. The President declared:

"The health of the people is a public concern; ill health is a major cause of suffering, economic loss, and dependency; good health is essential to the security and progress of the Nation . . .

"The objective of a national health program is

to make available in all parts of our country and for all groups of our people the scientific knowledge and skill at our command to prevent and care for sickness and disability; to safeguard mothers, infants, and children; and to offset through social insurance the loss of earnings among workers who are temporarily or permanently disabled . . ."

After summarizing evidence on the Nation's health and resources for its maintenance and improvement, the report of the Interdepartmental Committee offered four specific recommendations. In these recommendations the Committee advocated use of Federal grants-in-aid, established on a basis which would permit adjustment to State needs and resources, to expand and strengthen general State services for public health and for maternal and child health; to develop hospital facilities where these are inadequate or lacking, especially in rural areas, and assist in the maintenance of new institutions in their initial years; and to develop State programs of medical care, supported by taxation or insurance contributions or other methods, with the choice of method and of the groups to be served to be made by the State within general provisions designed to ensure effective use of the Federal grants. In connection with the last, the Committee declared that any such program should be unified, saying, "It would be unsound to have one system of medical care for a relief population and another for self-supporting groups." The Committee also recommended development of social insurance to effect partial replacement of wages during temporary or permanent disability, declaring that for temporary disability advantage might be taken of experience gained in operation of the Federal-State program of unemployment compensation, while for permanent and total disability protection might be afforded by liberalization of the Federal old-age insurance system.

In commending the report to Congress for study, the President declared: "The essence of the program recommended by the Committee is Federal-State cooperation. Federal legislation necessarily precedes, for it indicates the assistance which may be made available to the States in a cooperative program for the Nation's health."

UNEMPLOYMENT COMPENSATION STATISTICAL REPORTING

LOUIS LEVINE*

The unemployment compensation statistical program of the Social Security Board, launched slightly more than a year ago, is based largely upon the reports made by the State agencies. These reports include summary data on financial status, coverage and contributions, and benefit payments. In line with other unemployment compensation operations, the statistical program has been characterized by an evolutionary growth. Gradually there is developing a body of labor-market data of a type lacking at the time the Committee on Economic Security was analyzing the need for social security legislation in this country.

The American Background

In its report the Committee observed that, because of "the dearth of data concerning all phases of employment and unemployment as well as of income," it was necessary to make use of "much indirect methodology in deriving the estimates presented."¹

The Committee made use of Wisconsin's legislative experience with unemployment insurance and the work of the Ohio and Massachusetts commissions. European unemployment insurance experience helped to establish certain general principles, but statistical and actuarial information derived from foreign experience was vitiated by fundamental differences in political organization, geographic and population conditions, and the structure of the labor market.

Data on employment and pay rolls and volume of unemployment were essential for the establishment of an actuarial basis in determining the approximate relation of income to outgo of unemployment compensation funds. With respect to the proposed scope of coverage, contribution rate, and amount and duration of benefits, information was needed regarding labor turn-over rates, fre-

quency and length of spells of unemployment, and individual earnings. Data of the latter character were even more scanty than those relating to volume of employment and unemployment.

The Committee recognized the limitations of the data upon which its recommendations for unemployment compensation legislation were founded. It pointed out that one of the values of a Nationwide system of unemployment compensation would be the collection of accurate and comprehensive unemployment statistics. Since the suggested unemployment compensation plan was "frankly experimental," emphasis was placed on the value of quantitative data gained from experience as a guide to future legislative modifications.

At the present time, many State agencies are contemplating amendment of unemployment compensation laws based on a brief period of benefit-payment experience. In many instances the financial status of the fund after a single year of benefit payments is being used as the criterion either for liberalization of the benefit provisions through reduced waiting periods and increased amount and duration of benefits, or for restriction of benefit rights through more stringent qualifying provisions. At this time, therefore, the British experience in making changes based on inadequate statistical and actuarial data is especially pertinent.²

British Experience

The contribution rates and the benefit schedule set forth in the British Unemployment Insurance Act of 1911 were based on fragmentary data derived from trade-unions, which were little better than the data used by the Committee on Economic Security. Unemployment rates were based on experience which did not include whole trades or the numerous unskilled and unorganized workers, and represented scarcely 13 percent of the workers to be covered. The calculations of incidence

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¹ *Social Security in America: The Factual Background of the Social Security Act as Summarized from Staff Reports to the Committee on Economic Security.* Social Security Board Publication No. 20, p. 77, 1937.

² Reede, Arthur Hallam. *The Actuarial Aspect of Unemployment Insurance: British Experience.* Pennsylvania State College Studies, Vol. 1, No. 1, 1936.

and duration of unemployment were based on a sample of 21,600 workers, less than 1 percent of the workers to be insured, and reflected the experience of only 3 scattered years—1899, 1901, and 1904. Data relating to duration of spells of unemployment were derived from the records of some 1,800 iron foundries. Such a paucity of data would have justified the collection and analysis of additional statistics which could be used as a check on the validity of the assumptions underlying the original calculations. During the World War period the large volume of employment resulted in the rapid accumulation of reserves, which by November 1920 amounted to \$110 million. The false sense of security engendered by such a surplus led to the neglect of the development of an adequate research and statistical program.

The extension of coverage in the Act of 1920 to all persons covered by the health insurance program, except agricultural workers and domestic servants, was based on actuarial data scarcely better than those used in 1911. Less than a year after the passage of the act, the surplus had disappeared, and a deficit had begun to accumulate. Instead of a predicted average rate of unemployment of 5.32 percent, the average rate was 11.5 percent. The operating deficit for the period 1920-28 approximated \$235 million, so that by March 1928 the cumulative debt to the Exchequer amounted to approximately \$125 million. By 1933 it had mounted to more than \$500 million. Although this deficit may be largely attributable to such changes as reduced waiting period, increased duration of benefits, and lowered contribution rates, as well as extension of coverage to workers for whom no data were available, the need for statistical guidance was poignantly felt. Thus, in 1927, the actuary reported that he was still hampered by the limited statistical basis for the determination of a rate of unemployment for the full period of a trade cycle, and that "at no time, from 1912 onwards, has the working of the current scheme of National Insurance against Unemployment provided any data with reference to which the general rate of unemployment for a long period, and with reference to a wide span of industries, can be estimated."

In 1931, with approximately 20 years of unemployment insurance experience, a Royal Commission on Unemployment Insurance was appointed to reexamine the principles of the system. The find-

ings of this commission indicated that the insolvency of the fund arose chiefly from factors other than the insurability of the unemployment risk.

Considerations Underlying a Statistical Reporting Program for the United States

The unemployment compensation system in this country, because of its Federal-State character, renders the formulation of a statistical program somewhat more difficult than would be the case with a single national system and at the same time makes a sound program more imperative. Such a program must at least provide the bases for current appraisal of the compensation system and yield data which can be used for forecasting the rate of unemployment and classifying more accurately risks of unemployment. Because the unemployment compensation system in this country is based upon Federal-State cooperative administration, it is necessary that the statistical program give consideration to both Federal and State needs. Since contributions are levied as a percent of pay roll and benefits are related to earnings, the data should reflect both volume of employment and pay roll and individual earnings.

The broad outlines of the statistical program at the Federal level are indicated in part by the Social Security Board's statutory obligation to certify to the State amounts necessary for "proper administration" and to make "recommendations as to the most effective methods of providing economic security through social insurance." Information is needed which will indicate the degree to which administrative operations conform with established standards. In unemployment compensation, the administrative operations take place at the State and local office level, so that the Social Security Board is largely dependent on State agency reports for such information.

Another consideration in the development of the statistical program is that the reports shall be so designed as to be useful both to the Social Security Board and to the State agency. This objective is not always easily achieved, since most of the statistical reports are closely related to State administrative procedures which differ from jurisdiction to jurisdiction and which are subject to frequent revision in the early stages of operations. Constant care must be exercised if uniformity in the items reported and comparability of the data from a national standpoint are to be

attained. The recently revised benefit claims and payment statistics illustrate the need for such adjustment.

In formulating the statistical program, care must be exercised that the collection of data shall not interfere with an orderly claims-taking process, efficient interviewing of unemployed claimants, placement of unemployed workers, and the prompt payment of benefits. Nor must the statistical program unnecessarily burden employers with regular reporting of information which is not essential to the operations of the unemployment compensation system. Unless, however, an unemployment compensation system provides an opportunity for stock taking and yields adequate quantitative data upon which to base future administrative and social policy, it may fail to achieve its ends.

The cost of a statistical program represents another important consideration. Perhaps in no type of social legislation is administrative cost subject to such close public scrutiny as is true in social insurance. Expenditures for administering unemployment compensation are sometimes viewed as a diversion of funds which might otherwise be used for the payment of benefits to unemployed workers. Moreover, it is argued that in addition to its other advantages unemployment compensation provides a more orderly and less costly means of aiding the unemployed than is the case with other systems of unemployment relief. Administrators, therefore, are properly concerned with the reduction of administrative costs; frequently statistical operations which seemingly do not enter into other day-to-day activities are made to bear the brunt of an economy drive. The costs of a statistical reporting program are necessarily affected by the existence of 51 State agencies with different legislative provisions and administrative procedures.

The effort to keep such statistical costs at a minimum has necessitated the restriction of the statistical program to reporting of only the minimum essential data. Reliance has been placed upon counts at control desks rather than on analysis of basic documents and upon selection of representative samples for certain types of reports which, either because of volume or detail, tend to make complete analysis costly.

The unemployment compensation statistical re-

porting program must also be considered from the standpoint of its relation to other unemployment relief plans. Unless the statistical program yields quantitative data which will provide a basis for a more adequate comprehension of the relationship between unemployment compensation, public-works programs, work-relief programs, and direct relief, it will be difficult to make the necessary adjustments in the benefit formula which will define the unemployment risks to be covered by the compensation scheme. To a considerable extent, administrative policy in other unemployment relief programs must be guided by the developments in unemployment compensation. Thus far, scarcely any quantitative data have become available which serve to indicate the interrelationships between various unemployment relief programs; nor is it likely that accurate information of this character can be obtained from the regular unemployment compensation statistical reporting program in the near future.³ Some effort has already been made to institute a statistical reporting system which would yield current data indicating the extent to which relief cases were being closed because of the receipt of unemployment benefits.⁴ Such information is now available only for the State of Pennsylvania and a few scattered large cities.

If the unemployment compensation statistical program is to be most effective in its guidance to administrators, it must provide for a closer integration of employment service and unemployment compensation statistics. This is especially important since employment service records are necessarily related to individual registrants. Such integration would make available data on personal characteristics of claimants which at the present time can be obtained from the unemployment compensation system only at added expense. The organization for effectuating such integration already exists. The research and statistical units in most State agencies are now responsible for tabulating both unemployment compensation and employment service statistics. The need for integra-

³ Jacobs, Arthur. "Studying the Effect of Unemployment Compensation on Relief," *Papers on Relief Statistics*, No. 6, published by the Joint Committee on Relief Statistics of the American Public Welfare Association and the American Statistical Association, December 1938. This article presents a number of questions which can be answered only by statistical data.

⁴ See Clague, Ewan. "The Relationship Between Unemployment Compensation and Relief From a National Point of View," *Social Security Bulletin*, Vol. 1, No. 6 (June 1938), pp. 7-13; and Jeter, Helen R., and Claybaugh, Margaret. "Interchange of Relief Information . . .," pp. 14-18; also reports carried monthly in the Relief in Urban Areas section of the *Bulletin* on the effect of unemployment compensation upon general relief case loads.

tion lies largely in the collection of the statistics, which in many instances necessitates merging of statistical reports at the local-office level.

Other considerations entering into the development of a statistical reporting system are the character and detail of the reports as well as the frequency with which they are to be submitted. In this connection it is necessary to distinguish between reports needed regularly and those needed for special purposes.

The Present Statistical Program

All the foregoing considerations have influenced the character of the existing statistical reporting program. The statistical data reported to the Social Security Board are deemed to provide the minimum information required by State agencies and the Board. The essential features of the statistical program outlined more than a year ago are still in use.⁵ Such modifications as have been introduced were motivated primarily by the need for greater uniformity in the items reported and increased administrative usefulness. In the development of this statistical program the statisticians of the Social Security Board have received assistance from the Committee on Research and Statistics of the Interstate Conference of Unemployment Compensation Agencies. In addition, State statisticians have frequently submitted detailed comments and suggestions for the revision of the program.

Financial Transactions Statistics

This monthly report provides information on an accounting basis as to additions, deductions, and end-of-month balances in each of three accounts which concern the State agencies—the clearing account, the unemployment trust fund account, and the benefit-payment account. This report provides the record of the current financial status of the unemployment compensation system.

Although the financial transactions report makes no provision for allocating contributions received to the pay-roll month for which payment was made and therefore includes a certain amount of delinquent contributions, it provides the most nearly current indication of the approximate fluctuations in taxable pay rolls. Since taxable

pay rolls represent a considerable proportion of total pay rolls, information on this item has wide economic significance. When differentiation in State contribution rates (merit rating) becomes effective, however, this usefulness will be minimized.

Coverage and Contribution Statistics

The statistical report commonly referred to as the "coverage and contributions" report includes, in addition to items on number of covered workers (total number of workers engaged in covered employment for subject employers during the last pay-roll periods in the month) and amount of taxable wages, such other items as number of reporting units and amount of contributions (relating to wages payable in the reported pay-roll month). Although 33 State agencies have shifted to a quarterly basis for collection of contributions, the quarterly reports provide for a monthly break-down on the number of workers and the amount of taxable pay rolls. This information is fundamental to any analysis of solvency of State funds, seasonal unemployment, and merit rating.

The information submitted on this report was reported only on a State-wide basis through the pay-roll month of June 1938. Most State agencies, however, tabulated these data by major industry groups and by locality for at least part of an earlier period. This development has taken place because some unemployment compensation statistical units in States where data on employment and pay rolls have been lacking or inadequate have wished to establish indexes of employment and pay rolls by industry group. In these States the statistical method employed by the Bureau of Labor Statistics in constructing its indexes is used, although some consideration is being given to other methods.

Recently the Social Security Board provided for State reporting of covered employment and taxable pay rolls by major industry group 2 months after the report on a State-wide basis is made. The major difficulty with the coverage and contribution report has been that the reports of employers who were delinquent in reporting to the State agencies were not reflected in the data submitted to Washington.⁶ The industry report on

⁵ Pearce, Charles A. "Statistics of Unemployment Compensation," *Social Security Bulletin*, Vol. 1, Nos. 1-3 (March 1938), pp. 22-25.

⁶ The uniform closing date for the tabulation of the State-wide report has been eliminated so that the State agencies may have an opportunity to include a larger volume of delinquent reports.

covered employment and taxable pay roll, although less useful for indicating current trends of employment and pay rolls, will be more nearly current and more comprehensive than any other regularly collected quantitative data of a similar character. It can, therefore, very well serve as a bench mark to which current indicators of employment and pay rolls may be adjusted, and it permits more frequent corrections of these indicators than have been possible in the past.

Provision was made recently for current reporting of the administrative processing of wage records in State agencies, and some work is being done toward the development of an adequate report on delinquency in payment of contributions. Reports of this type are necessary for administrative purposes.

Benefit Claims and Payments Statistics

The present monthly reports on statistics of benefit operations are limited primarily to administrative data. For this reason, the statistical reports must be revised from time to time so that there will be a greater consistency between procedures in effect and the statistical items reported. It is important that accurate data be reported if the administrative load of State agencies is to be appraised. These reports, however, do have a limited socio-economic significance. Fluctuations in the weekly claims load give added information on trends in the labor market. The number and amount of claims and payments classified by type of unemployment (total, partial, or part-total) provide some guidance in the analysis of the changing character of unemployment. Benefit payments according to major industry groups when compared with contributions received are not only useful in connection with analyses of the solvency of the funds but also make possible a better understanding of employment opportunities in various industries.

All these data, however, must be used cautiously. They are influenced by the administrative procedures from which they are derived, and they must be analyzed with these limitations in mind: They relate only to workers in covered employments in establishments of a specified size, and they provide information only for those weeks when the claimant was within the scope of the compensation system. Thus no information is currently available on a claimant once he has ex-

hausted his benefit rights. Until recently, the statistical reporting took no account of the distinction between waiting-period claims and compensable-week claims. This present differentiation not only permits a more satisfactory measure of the work load but also provides a measure of the completed man-weeks of unemployment which were compensated.

Work-relief and public-works programs can more easily, through their administrative procedures, provide information with respect to the individuals served than is possible in unemployment compensation. It is important under the unemployment compensation program to get a count of individuals either on a monthly or on a quarterly basis, but since the entire benefit-payment procedure is based on the claims-taking process, and since the same individual may file as many as four or five claims within a month it becomes exceedingly difficult and costly to avoid a duplicated count. Moreover, the promptness with which benefits are paid, the procedure involved in closing an account, and the inclusion of irregular payments—such as supplementary, adjusted, and multiple payments—to an individual within a week affect the validity of the statistics for individuals. Efforts to obtain this information on a monthly basis have not proved successful. More recently the statistical reports have been revised to provide an unduplicated count of the number of individuals receiving benefits in the calendar week ending nearest the 15th of each month.

In contrast to American experience, the British unemployment insurance system easily yields data with respect to the number of individuals receiving benefits as well as a considerable amount of sociological information. The ease with which such information is obtained is largely attributable to the benefit provisions and procedures as well as to the use of the stamp-pass book which each claimant must lodge with the local office of the employment exchange. At the present time, such information in most State unemployment compensation agencies can be obtained only from the internal administrative records. Since these records are in current use, they are difficult to obtain for special statistical analyses.

A somewhat similar situation exists in connection with unemployment compensation statistics regarding the frequency and length of spells of

unemployment (waiting-period and compensable) and the classification of benefit payments according to major industry groups.⁷ For example, waiting-period claims in a great many States are now represented by signatures on a claim record card in the local office. The statistician in the central office is, therefore, dependent upon local-office counts somewhat removed from statistical control. This information eventually finds its way to central-office administrative records but rarely is available to the statistician because it is needed for current operations. Again, in obtaining benefit-payment data by industry, the statistician is frequently confronted with a benefit procedure which does not identify the industry of the last subject employer preceding the spell of unemployment. Consequently, benefit payments may have to be classified by industry of the last subject employer preceding the establishment of a benefit year or the last subject employer in the base period (usually available on the individual wage record). Fortunately, since various statistical analyses indicate that the average number of employers per claimant during a year is between 1.2 and 1.8, the industry classification is apt to be fairly reliable. This view is based on the assumption that the shift of workers between industries is even less than that between employers.

Provision was made only recently for the optional reporting by State agencies to the Social Security Board of the number and amount of benefit payments classified according to type of unemployment and major industrial groups. The Board has also made provision for an optional statistical report of the duration of benefit payments (number of full weeks of total unemployment compensated) according to weekly amount of benefit payment for claimants whose benefit years have been completed.

The widespread acceptance of the Interstate Benefit Payment Plan, which permits a worker who has left a State in which he has acquired benefit rights to file his claims for benefits in the State to which he has moved, has necessitated a new statistical report which will measure the administrative load arising from such multistate claims. This report also will provide a basis for

some rough approximations of the geographical shifting of the covered-worker population.

For some time reports on the number of weeks elapsed between the end of the compensable week and the date of benefit payment have been made to the Board. These reports have now been revised to take account not only of first payments but also of second and subsequent payments in a benefit year.

The major emphasis of the revised benefit statistics reports has been to simplify reporting and to increase administrative usefulness. In making the necessary changes, however, the interests of other governmental agencies, students of social insurance, and the general public have been given consideration. In general, the revision of the statistical reporting program has been influenced by the view that it is neither desirable nor economically feasible to obtain certain types of quantitative data regularly. The statistical reports appear to be adequate for Federal purposes, but they do not provide for certain statistical data which are essential at the State level. Apart from the statistical reporting program established by the Social Security Board, there remains an important area within which statistical information can be supplied by the State agencies through the mechanism of special statistical analyses.

State Statistical Analyses

The ordinary administrative process for the determination of benefit rights yields a considerable body of important statistical data which can be obtained only by analysis of the internal records of the State agency. These records often contain sociological information regarding sex, age, and color. They are the sources from which data of individual earnings and shifts between employers and industries are available. Statistical data regarding the frequency and length of spells of compensable unemployment can often be derived from these internal administrative records. This storehouse of information has only recently been recognized, and the full significance of the data which may be yielded are just now beginning to be appreciated.⁸ Indeed much of this information has become available only within the past year and

⁷ For a brief description of the industrial classification system used in connection with unemployment compensation statistics, see: Sogge, Tillman M., "Industrial Classification in Relation to Unemployment Compensation," *Social Security Bulletin*, Vol. 1, Nos. 1-3 (March 1938), pp. 19-22.

⁸ Examples of the use to which this type of data can be put are: Papler, William, "Seasonality in Ohio Canning Establishments in Relation to Unemployment Compensation," *Social Security Bulletin*, Vol. 1, No. 10 (October 1938), pp. 6-10; and Horne, McDonald K., Jr., "Seasonal Workers Under the Mississippi Unemployment Compensation Law," *Social Security Bulletin*, this issue, pp. 10-14.

in most cases is too fragmentary for purposes of drawing valid conclusions.

The significant differences between States as to provisions of the unemployment compensation laws, structure of the labor market, diversification of industry, and patterns of employment make necessary individual State statistical and actuarial analyses. Moreover, many State laws specifically provide for the conduct of studies relating to partial unemployment, seasonal unemployment, merit rating, and stabilization of employment, and other laws imply that such studies should be made.

These needs have resulted in the establishment of research and statistical units in all State agencies. For the proper functioning of such units, it has been necessary to provide staff and equipment. The size of the statistical unit and the equipment used in a State agency are largely determined by the volume of administrative load and the type of administrative procedure. These

units must ultimately provide the essential quantitative data and research which will supplement the regular statistical reporting program and which will provide the bases for future social, legislative, and administrative policy.

The evolution of unemployment compensation in this country indicates that research and statistics should perform an increasingly important function. Following the enactment of legislation, immediate interest was centered on problems of organization, determination of employer liability, and the collection of contributions. Subsequently emphasis was given to the development of benefit procedures and the making of prompt payments. All these problems, although continuing, become less pressing with the passage of time. The function which becomes increasingly significant is that of analysis and research—to develop standards and bases for legislative amendments and for increasingly effective administration.

SEASONAL WORKERS UNDER THE MISSISSIPPI UNEMPLOYMENT COMPENSATION LAW

MCDONALD K. HORNE, JR.*

During 1938 two States, Mississippi and Oregon, found it desirable to designate certain industries as seasonal in accordance with the provisions in their laws which permit restriction of the benefit rights of seasonal workers. Considerable interest in the procedures adopted has been expressed by administrators in other States. This article summarizes the basic objectives and achievements of the Mississippi regulations as they are viewed by the State administrators. The judgments expressed are entirely those of the author. The Social Security Board hopes to publish further analyses of the effect of seasonal regulations in particular States as well as summaries of studies made in States where special seasonal regulations have been judged unnecessary.

The experience of the Mississippi Unemployment Compensation Commission with the problem of seasonality is noteworthy in two respects. In the first place, the procedure for the special treatment of claims resulting from seasonal unemployment has been in operation, without major changes, from the beginning of benefit payments in April 1938 until the present time. Secondly, unlike Oregon, the only other State which has had considerable experience with seasonal regulations, Mississippi designates seasonal periods for entire industries rather than for individual employers.

Measurement of Seasonal Declines

Mississippi has four industries with wide employment fluctuations which are correlated with the annual cotton season. These are cottonseed-oil mills, cotton compresses and warehouses, cotton gins, and fertilizer plants. Another important seasonal industry is the shrimp- and oyster-canning industry located on the Gulf Coast. It appeared from analysis of the employment records and the operating practices of these industries that approximately 10,000 workers are customarily hired during the busiest season and laid off later in the year. In the fish-canning industry approximately 4,000 workers are hired during the season, and employment drops virtually to zero at the close of the operating period. In the other four industries a substantial amount of employment continues throughout each year, but marked seasonal fluctuations occur. To illustrate the conditions in one industry, the number of workers employed in cottonseed-oil mills during the midweek of each

month in 4 recent years is shown in table 1. Since, undoubtedly, a considerable proportion of the workers in these industries do not ordinarily find other employment in the off season, some limitation on the benefit payments to these workers dur-

Table 1.—Number of employees in the cottonseed-oil industry of Mississippi, by months, 1931, 1935-37¹

Month	1931	1935	1936	1937
January.....	2,362	2,159	2,427	2,850
February.....	1,836	2,054	1,886	2,978
March.....	1,220	2,088	1,815	2,720
April.....	949	1,343	1,476	2,234
May.....	723	1,366	1,090	1,770
June.....	611	1,442	1,175	1,790
July.....	538	1,131	1,331	1,654
August.....	1,190	1,515	1,448	1,724
September.....	2,518	3,063	3,537	4,269
October.....	3,040	3,027	3,779	3,906
November.....	2,874	2,619	3,111	3,487
December.....	2,637	2,397	2,993	3,258

¹ Figures are for the calendar week which includes the 15th of the month in 1931 and for the calendar week ending nearest the 15th of the month in other years.

Source: Data for 1931 and 1935 are from *Biennial Census of Manufactures*. Data for 1936 and 1937 are from contribution reports received from employers by the Mississippi Unemployment Commission with interpolations where data are incomplete.

ing the off season appeared necessary to avoid a heavy drain upon the State's unemployment fund. Moreover, it seemed likely that the task of disqualifying individual seasonal claimants who failed to return to their customary self-employment on farms and elsewhere would involve excessive administrative expenses and complications of procedure. The Commission therefore decided to limit the benefits payable to all seasonal workers in these five industries.

Reasons for Prompt Action

When the issue was under consideration early in 1938, the Mississippi Commission thought seriously of following the more general practice of delaying action until further facts and experi-

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ence could be accumulated. The decision to put a special seasonal rule into effect on the first day of claims taking was prompted by the following considerations:

1. The available data, though far less complete than might have been desired, were considered sufficient to justify immediate action.

2. The seasonal nature of the five industries is a well known characteristic of the State's industrial structure, and the regularly recurring active periods of each industry are generally recognized. The consistency of an insurance program which does not pay benefits in the off-season periods of these industries is easily explained and readily appreciated. The inconsistency of paying benefits in off-season periods would be readily detected and difficult to explain, and might detract from the prestige of unemployment compensation.

3. It was felt that, if ever a procedure was to be adopted which would deny benefits to workers on account of the seasonal nature of their employment, there were strong administrative reasons for putting such procedure into operation as early as possible. It would be confusing and demoralizing to workers who had become accustomed to receiving benefits under certain conditions, if later, through a reversal of public policy, they should be denied benefits under the same conditions.

4. Most European countries have considered it necessary to adopt some method of restricting or denying benefits to workers in periods of the year when they are customarily unemployed.

5. In addition to its value from the standpoint of the State, a special seasonal procedure may have value as an experiment from the standpoint of the Nation.

Defining the Operating Seasons

The Commission, therefore, under authority provided in the Mississippi Unemployment Compensation Law, adopted general rules which define a seasonal industry as one in which it is found that employment displays a regularly recurring tendency at some time of the year to decline to as little as 50 percent of the year's peak and to remain at or below that level for as many as 2 months. To define the operating season—or "normal active period"—of an industry, the Commission studies the amount of employment in the industry throughout a number of "experience years." In

making the first determinations only 2 experience years could be employed; ultimately 5 such years will be employed. A simple computation gives the "average date" on which the total number of employees dropped to as low as 50 percent of

Table 2.—*Employment, by months, in the cottonseed-oil industry in Mississippi expressed as a percentage of the peak month in each year, 1931, 1935-37*

Month	1931	1935	1936	1937
January.....	77.7	69.8	64.2	66.8
February.....	60.4	66.4	49.9	69.7
March.....	40.1	67.5	48.0	63.7
April.....	31.2	43.4	39.0	52.3
May.....	23.8	44.2	28.8	41.5
June.....	20.1	46.6	31.1	41.9
July.....	17.7	36.6	35.2	38.7
August.....	39.1	49.0	38.3	40.4
September.....	82.8	100.0	93.6	100.0
October.....	100.0	97.9	100.0	91.5
November.....	94.5	84.7	82.3	81.7
December.....	86.7	77.5	79.2	76.3

the peak and the "average date" on which it again rose above that level. The operating period is then considered to begin with the latest first day or 16th day of a month immediately preceding the average date on which employment rose above 50 percent, and to end with the earliest 15th day or last day of a month immediately following the average date on which employment dropped to 50 percent.

For processing claims arising from unemployment during the calendar year 1938, the Commission defined the following industries as seasonal and adopted the periods indicated as the "normal active periods" of these industries:

Industry	Normal active period
1. Cotton gins.....	August 1-December 15.
2. Cottonseed-oil mills.....	January 1-April 30, and August 16-December 31.
3. Fish-packing plants.....	January 1-April 30, and August 16-December 31.
4. Cotton compresses and warehouses.	January 1-January 15, and September 1-December 31.
5. Fertilizer plants.....	January 1-April 30.
6. Educational institutions..	January 1-May 31, and September 1-December 31.
7. Baseball clubs.....	April 16-September 15.

The regulations provide that before the beginning of each calendar year the Commission shall make new computations, with possible changes in the industries treated as seasonal and in the operating seasons adopted. This procedure may be altered in the near future so that the determina-

tions will be made before the beginning of each operating period instead of each calendar year.

Theory Underlying the Method

It is clear that the Commission's intention is to exclude from benefits only that unemployment which occurs with marked regularity year after year and can, therefore, be confidently expected in advance. This quality of regular recurrence is possessed only by seasonal forces, as distinct from cyclical, secular, technological, fortuitous, or any other forces causing fluctuations in economic phenomena. If, in determining the operating season, the records of a single year were relied upon, the normal active periods arrived at might result from any combination of forces. In averaging the experience of a number of years, the Commission employs an accepted method of distinguishing seasonal from cyclical, secular, and other variations.

The experience now being used, it is recognized, is too brief for valid results in all cases. When the Commission has sufficient evidence to prove that the normal active period, as determined, varies from the average experience of the past 4 or 5 years, it will allow variations from the procedure described above in order to secure the best approximation to the true "normal."

The fact that a current operating season is particularly long or short will by no means discount the validity of the normal active period computed from the experience of several past years. A shorter operating season than usual reflects forces that are not seasonal in nature, are not subject to confident prediction, and are not properly exempted from unemployment compensation. The current seasons of the oil mills, compresses, and gins are proving shorter than the average seasons of recent years, and as a result the State is paying considerable amounts of benefits in these industries. The circumstance causing these shorter seasons—namely, a smaller cotton crop than usual—is one against which workers should be insured.

In adopting the industry, rather than the employer or the employee, as the unit in terms of which normal active periods are defined, the Commission was aware of certain objections. The chief of these is that some employers and employees whose activities are truly seasonal in

nature are exempted from the special treatment. The objective in view, however, was merely to provide special treatment for those industries which have a very pronounced degree of seasonality, since the greater part, or at least a very substantial part, of the entire problem seemed to be concentrated in these few industries.

In Mississippi the highly seasonal industries appeared to be reasonably easy to define in a manner which would appeal to the reason and common sense of all parties concerned. Little or no difficulty has been encountered in determining whether a given employer should or should not be classified in a seasonal industry. Moreover, in the Commission's experience to date, no major objections have arisen to the procedure of establishing one period of time to be regarded as the normal active period of an entire industry. Geographical differences cause some variations among individual employers, but these have not been found sufficient to justify setting up two or more seasons within any single industry. Certain other differences—managerial policy, for example—are not regarded as a proper cause for giving special treatment to individual employers.

The Benefit Rights of Seasonal Workers and Handling of Claims

Except for workers whose occupations are determined to be nonseasonal in nature (discussed below), the following rule is in effect: *Benefits based on (i. e., chargeable to) wage credits earned in seasonal industries can be paid only for weeks of unemployment which occur within, or some part of which occurs within, the normal active period of the industry.*

If a claim is received from an individual whose entire wage credits (for earnings in the first 8 of the last 9 completed calendar quarters) were earned in a seasonal industry, the treatment given the claim depends upon the time of the year in which the first compensable week occurs. If it occurs within the normal active period the claim is allowed, but benefits are terminated at the end of the period, and the claimant is informed that he should file another claim when the next normal active period begins, if he is still unemployed at that time. If the first compensable week occurs outside the normal active period, the claim is disallowed and the claimant is informed that he may file another claim at the beginning of the next normal active period if he is then unemployed.

The situation is more complicated when a claimant has wage credits earned from two or more employers and arising from employment in both a seasonal and a nonseasonal industry.

In calculating the claimant's weekly benefit amount or his eligibility for benefits, no special treatment is given to seasonal wage credits. For these purposes all wage credits are taken into consideration. The weekly benefit amount remains the same throughout a benefit year whether payments are charged to seasonal or to nonseasonal wage credits.

In calculating the duration of benefits, however, seasonal wage credits are segregated. Claimants with both seasonal and nonseasonal wage credits may receive benefits chargeable to either type of wage credits during the normal active period of the seasonal industry but only the benefits chargeable to the nonseasonal wage credits during the dormant period of the seasonal industry. During the normal active period, any uncharged seasonal wage credits which the claimant may have are charged before the nonseasonal, even though the nonseasonal wage credits may have been earned first; otherwise it would be possible for a claimant to exhaust his nonseasonal wage credits during the active period and to enter the dormant period with no wage credits left except seasonal credits, to which benefits could not be charged. Moreover, if a claimant has wage credits in two or more seasonal industries, the wage credits charged first are those earned in the industry whose normal active period ends first, even though such wage credits were not the first which the claimant earned during his base period.

Nonseasonal Occupations

Under the Mississippi law, supplemented by general rules of the Commission, wage credits earned in a seasonal industry are not subject to the special treatment described above if (1) the wage credits were earned in an occupation in which employment normally continues for substantially all the year, or (2) the wage credits were earned in some occupation, such as special construction work, which does not partake of the seasonal nature of the industry.

Each initial claim must show the name and code number of the worker's occupation in his last substantial employment. The Commission is gradually accumulating from its own experience,

supplemented by other sources, a body of information regarding the nature of occupations in seasonal industries which enables the examiners to recognize certain occupations as nonseasonal. If examination of the claimant's wage record substantiates the supposition that his work has been of a nonseasonal nature, the examiner on his own initiative may exempt the claimant from special seasonal treatment. Occasionally the examiner on his own initiative may send the employer an inquiry on a special form regarding the nature of the claimant's occupation. In many cases, however, the examiner has no information about the claimant's occupation in the seasonal industry in which he was employed, if this was not his last substantial employment.

Chief reliance is therefore placed upon another approach to the problem. When a claim is disallowed or terminated through the operation of the special seasonal procedure, the claimant is informed that such action will be revoked if it is established that his employment was in a nonseasonal occupation. He may then file an application for reconsideration, and the Commission will inquire of his former employer as to the seasonal character of his work and will check the employer's answer against the claimant's wage record. If this investigation shows the claimant's occupation to have been nonseasonal, his claim is so handled, and the wage credits acquired in the seasonal industry may be charged with benefits at any time of the year.

Conclusions

The Mississippi procedure for special treatment of claims arising from seasonal unemployment has now been in operation almost a year. Experience proves that, in this State, the plan is administratively feasible. No concerted or forceful objections have been raised by employers, employees, or the public. An estimate of the amount saved for the State's fund cannot yet be made, but the average annual sum is likely to prove substantial.

The chief obstacles which have arisen in the actual operation of the procedure are as follows:

1. The administrative task is complicated and difficult in the initial stages. The difficulties are gradually being reduced, however, and it might now be argued that the administrative expenses eliminated by the system are as great as the administrative expenses added. The system does

remove the necessity for processing a great many initial and continued claims and for investigating numerous cases in which claimants may have failed to return to customary self-employment.

2. A certain inequity of treatment arises in the case of seasonal workers whose employment in a seasonal industry normally extends beyond the limits of the normal active period but who do not work throughout substantially all the year, since they are allowed benefits only for unemployment occurring within the normal active period. Under present procedures in Mississippi, it is impossible to segregate wages earned within the normal active period from those earned outside it; all wage credits earned by one individual in one

industry ordinarily must be counted as either seasonal or nonseasonal.

3. It may prove impossible to reconcile this system with the theory and practice of merit rating. If an employer's contribution rate is affected by the amount of benefit payments which have been charged to his account, the employers in the industries which receive special seasonal treatment will have a material and inequitable advantage as compared with employers in industries which have a seasonal variation of insufficient magnitude to bring them within the Commission's definition of a seasonal industry—the ice and the milk-products industries, for example. A workable solution of this difficulty is yet to be found.

MERIT-SYSTEM STANDARDS IN SOCIAL SECURITY ADMINISTRATION

ALBERT H. ARONSON *

With the increase in the area of governmental activity and the complexity of governmental operations, public personnel administration has become of increasing importance. In the last few years there has been a rapid growth of public sentiment for effective administration on a merit basis, evidenced in various polls and in the interest of civic organizations. Much lip service has also been given to merit management of public personnel. This has affected the freshness of the arguments for the merit system but not their logic.

It is as true now as when it was first said, that greater economy and efficiency can be achieved through the employment of the best qualified persons in a career service; that the development of employee morale and effectiveness through sound personnel practices is an essential of good management; that open competition is the most democratic way of obtaining the most competent personnel; that administrative officials are relieved of personal and political pressures and antagonisms through a merit system; that public confidence in the operations of a public agency may be increased by assurance that its personnel has been appointed on the basis of merit; and that decentralization can best be achieved where proper personnel standards prevail at all levels of government.

In a merit system the emphasis should be on merit rather than on system. However, unless definite personnel rules are promulgated, adequate machinery established, and proper procedures installed, the merit principle may not be put into effect. Justice cannot be guaranteed without a legal system, but in administration, as in law, procedures must not usurp the place of purposes. The emphasis in modern personnel administration has come to be placed upon the positive approach—the utilization of scientific techniques in selection, placement, staff development, job classification, and salary standardization as aids to effective management, rather than

merely as negative devices to prevent the intrusion of politics in personnel administration. There is still need, nevertheless, for courage and firmness on the part of administrators in preventing the evils of the spoils system.

From the outset of its activities, the Social Security Board has encouraged the development of personnel administration on a merit basis in the State agencies to which Federal funds are granted for administering unemployment compensation and for public assistance. The Board does not exercise control over the selection, tenure, and compensation of individual employees in the State and local units administering these programs, but it has required the States to observe minimum objective standards necessary to promote efficient administration and safeguard the use of Federal funds. To assist State social security agencies interested in setting up merit systems, a State Technical Advisory Service was established in November 1937 in the Office of the Executive Director. This Service offers the State agencies, through the Board's Bureaus of Public Assistance and Unemployment Compensation, advice and assistance in formulating merit-system rules and regulations, installing a system of personnel administration, and training members of State staffs in personnel work.

The Board has pointed out that under the Social Security Act it is unable to certify Federal grants when conduct of a State program violates any of the specific requirements set forth in the legislation. To withhold Federal funds, however, is, in the statement of the Board in its Third Annual Report, "a drastic step to be taken reluctantly and only as a last resort, since it is likely to work hardship on the needy and the unemployed." In view of this dilemma, the Board suggested, "It would be more effective and certainly more equitable if the Social Security Act were amended so that appropriate corrective action could be taken without injuring beneficiaries." From a number of sources the suggestion has come for the amendment of the act to clarify the provisions relating to administration and to give the Board

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explicit authority to require merit systems for the election of State personnel.

In his message to Congress on social security on January 16, 1939, President Roosevelt declared: "Much of the success of the Social Security Act is due to the fact that all of the programs contained in this Act—with one necessary exception—are administered by the States themselves, but coordinated and partially financed by the Federal Government. This method has given us flexible administration and has enabled us to put these programs into operation quickly. However, in some States incompetent and politically dominated personnel has been distinctly harmful. Therefore, I recommend that the States be required, as a condition for the receipt of Federal funds, to establish and maintain a merit system for the selection of personnel. Such a requirement would represent a protection to the States and citizens thereof rather than an encroachment by the Federal Government, since it would automatically promote efficiency and eliminate the necessity for minute Federal scrutiny of State operations."

In the last session of Congress bills stating such a requirement were introduced, and the report issued in January 1939 by the Special Senate Committee on Unemployment and Relief recommended that it be made a condition of Federal grants to the States that personnel administering unemployment compensation and public assistance be chosen through a merit system. A similar recommendation was included in the special report on proposed changes in the Social Security Act made by the Social Security Board to the President and the Congress in January 1939. In this report it was stated: "In the opinion of the Board it is sound policy for the State unemployment compensation agencies to have entire authority and responsibility for the selection, tenure of office, and compensation of individual employees. But this authority and responsibility should be exercised in accordance with a systematic merit system for the establishment and maintenance of desirable personnel standards."

At the present time 39 State agencies administering unemployment compensation select their personnel on the basis of merit examinations conducted by the State civil-service commission or by a merit system established for the unemployment compensation agency. In the public-assistance

field, where the State agencies often administer other State relief and welfare activities in addition to the Federal-State program, development has been less rapid. Nineteen State public-assistance agencies select their staffs under civil service or under departmental merit systems.

The objective standards which have been found essential as a result of the experience in the States in administration of public assistance and unemployment compensation have been formulated in statements concerning each of these programs, and in a general statement of standards for personnel administration. With respect to public assistance, the Board holds that, since administration is so largely dependent upon the competence of staff, "the personnel procedures and rules and regulations established by the State public-assistance agency are an essential part of a State plan, and . . . the adequacy of the provisions is to be considered in approving such a plan." In this consideration, "examination will be made on the basis of objective criteria of good personnel administration, taking into account the experience and operation of the State agency." With respect to unemployment compensation, the Board certifies grants to cover the total cost of "proper administration," and the Board's statement indicates the necessity for formulating standards in that personnel services are the major expense item in the administrative costs of the program.

The general statement of standards for personnel administration in State unemployment compensation and State public-assistance agencies, adopted by the Board in December 1938, is as follows:

As part of its responsibility for the development of good administration in State social security programs, the Board will from time to time recommend standards for the guidance of State agencies, indicating objective criteria of proper administration. These standards will be formulated with full consideration of the experience and operations of State agencies.

The Board believes that good administration requires clear definition of functions and assignment of responsibilities, the employment of the most competent available personnel, and the development of staff morale and efficiency. These necessitate the establishment of a system of personnel administration on a merit basis under rules and regulations promulgated by the appropriate State agency.

If a State-wide merit system in conformity with the standards set forth below is not in operation, the State agency should formulate and adopt complete or supple-

mentary rules and regulations to put the entire merit system into effect. Such a system should cover all personnel of the social security agency on both State and local levels and should operate in accordance with the following standards:

Classification Plan.—A classification plan based upon observation and analysis of the duties and responsibilities of positions should be established and maintained. The classification plan should include a job description and a statement of minimum requirements of education, experience, and other qualifications for each class of position.

Compensation Plan.—A compensation plan should be established and maintained. Such a plan should provide a salary range for each class of position, adjusted to the responsibility and difficulty of the type of work to be performed, and in line with prevailing rates for comparable positions in other departments of the State. It should include regulations for salary advancement on the basis of periodically evaluated service.

Merit Examinations.—Provision should be made for open competitive examinations administered by a civil-service commission or by a qualified supervisor of merit system under a nonpartisan committee appointed by the State agency from persons of known sympathetic interest in and knowledge of the problems of public personnel administration.

Appointment.—Employees of the agency should be appointed by its administrative head from among a limited number of persons certified by the merit-system supervisor in the order of their standing in the merit examinations. A definite probationary period should be established for all new appointees.

Promotions.—Provision should be made for promotion to higher positions on the basis of performance and qualifications. Candidates for promotion should meet the minimum qualifications established for the class of positions to which they are to be promoted.

Separations.—Job security should be assured satisfactory employees within the limits of the need for staff. Provision should be made for lay-off of surplus employees under an equitable system, and for dismissal of employees for cause with impartial review of such dismissals.

Service Ratings.—A system of periodic service ratings for the evaluation of performance should be established and maintained. The use of such ratings in promotions, salary increases, and separations should be covered by regulation.

Leave.—Provision should be made for granting, on a uniform and equitable basis, vacations, sick leave, and other leave.

Personnel Records.—Adequate employee records should be kept and necessary personnel statistics compiled.

Prohibition of Discrimination.—Political and religious discrimination in merit-system administration should be prohibited. Participation of any employee of the agency in political activity, direct or indirect, should be prohibited, except that an employee should have the right freely to express his views as a citizen and to cast his vote.

Cooperation in Merit-System Administration.—Provision should be made for cooperation with other public agencies in the administration of the merit system, and, where practicable, with due regard to similarity of standards, rules and regulations, and equitable distribution of costs, the establishment of a joint personnel committee and joint administration of examinations.

ESTIMATED NUMBERS OF PERSONS IN EMPLOYMENTS EXCLUDED FROM OLD-AGE INSURANCE

HARRY J. WINSLOW and WILLIAM K. SHAUGHNESSY *

The recent recommendations submitted in the final report of the Advisory Council on Social Security to the President and the report on proposed changes in the Social Security Act forwarded by the Social Security Board to the President and the Congress have focused attention on persons in employments excluded from coverage under the old-age insurance provisions of the Social Security Act. The following employments are not at present included under titles II or VIII of the act:

- (1) Agricultural labor;
- (2) Domestic service in a private home;
- (3) Casual labor not in the course of the employer's trade or business;
- (4) Service performed by an individual who has attained the age of 65;
- (5) Service performed as an officer or member of the crew of a vessel documented under the laws of the United States or of any foreign country;
- (6) Service performed in the employ of the United States Government or of an instrumentality of the United States;
- (7) Service performed in the employ of a State, a political subdivision thereof, or an instrumentality of one or more States or political subdivisions;
- (8) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

The Advisory Council has recommended¹ that employees of private, nonprofit religious, charitable, and educational institutions should be brought into coverage immediately and farm and domestic employees by January 1940. The Council also recommended that additional groups should be included as soon as feasible and that

studies should be made of the administrative, legal, and financial problems involved in the coverage of self-employed persons and governmental employees.

The Social Security Board in its recommendations² also advised that the exceptions in relation

Table 1.—Estimates of numbers of persons who will be employed in jobs covered or excluded from the Federal old-age benefits program some time during the calendar year 1939¹

Numbers of persons	Minimum-maximum estimates
A. Total number of persons who will have obtained a job covered by Federal old-age security plans.	34,400,000-35,650,000
1. Title II, Social Security Act.....	32,000,000-33,000,000
2. Railroad Retirement Act.....	1,700,000-1,900,000
3. Federal Government employee plans.....	900,000-1,000,000
B. Total number of persons in employments for which immediate coverage was recommended by the Social Security Board and the Advisory Council.	1,850,000-2,400,000
1. Federal instrumentalities.....	200,000-300,000
2. Maritime employment ³	150,000-200,000
3. Employment after age 65.....	800,000-1,000,000
4. Nonprofit organizations.....	700,000-900,000
C. Total number of persons who will have obtained jobs in other occupations.	25,300,000-27,100,000
1. Agricultural laborers.....	2,500,000-3,500,000
2. Farm operators.....	6,800,000-7,000,000
3. Unpaid family workers in agriculture.....	4,000,000-5,000,000
4. Domestic servants in private homes.....	2,200,000-2,500,000
5. Self-employed persons: owners, operators, and professional workers.....	4,000,000-4,500,000
6. Public employees (including public school teachers).....	2,500,000-2,700,000
7. Casual employees.....	1,000,000-3,000,000
8. Workers under work-relief programs.....	3,500,000-4,500,000

¹ The sum of the workers in all categories of the major groups in covered and noncovered employments is greater than the total number of persons receiving jobs in each major group. This is due to shifts of workers in each of these two groups. The shift in jobs covered by the amendments recommended (in B above) is believed to be so negligible that it has not been included in these estimates.

² Includes persons employed on documented vessels in domestic ports and persons employed on documented fishing boats.

to agricultural labor, domestic service, maritime employment, and services for private nonprofit religious, charitable, and educational organizations be withdrawn. At the same time it proposed that service performed for the Federal Government or its instrumentalities and service performed after age 65 should be included but that the casual labor

* Bureau of Research and Statistics, Divisions of Unemployment Compensation Research and of Old-Age Benefits Research, respectively.

¹ Advisory Council on Social Security. *Final Report*. December 10, 1938.

² Social Security Board. *Proposed Changes in the Social Security Act: A Report of the Social Security Board to the President and to the Congress of the United States*. 1939.

exception should remain. The Board withheld any recommendation for extending coverage to the self-employed.

In making these recommendations both the Council and the Board required estimates of the numbers of persons in employments covered by or excepted from the old-age insurance system. The estimates in table 1 are those most recently developed in the Bureau of Research and Statistics and presented to the Board.

Estimates of this kind vary according to the date or period of time to which they relate. The present estimates relate to employment at any time within the calendar year 1939 and have been developed particularly to include allowance for the turn-over between covered and noncovered employment. The shifting of workers from jobs in one occupation or group to jobs in another makes for duplication in the count. The sum of the workers in all categories of each major group is greater, therefore, than the total number of different persons receiving jobs in that major group. For example, the sum of the frequencies

in groups 1 to 8 of the excluded group is greater than the total number of persons who will obtain noncovered employment.

Many workers are employed in two or more occupations within a year; a man engaged in unpaid family work part of the year may change to farm employment for the rest of the year. Workers shift during a year from covered to noncovered jobs. Some have a primary occupation in a noncovered industry and a secondary occupation in a covered industry, and vice versa. In this tabulation, therefore, the sum of the number of workers in both covered and noncovered groups is greater than the total number of gainful workers.

Estimates for each group were prepared from the most recent data available on employment within these groups. The amount of labor turn-over that would occur in the year was then calculated. The number of wage items tabulated for each half year of 1937 together with the number of different workers paying taxes under title VIII in that year served as a guide in developing the estimates.

SEX, MARITAL STATUS, AND LIVING ARRANGEMENTS OF 1,000,000 RECIPIENTS OF OLD-AGE ASSISTANCE*

From annual reports submitted to the Social Security Board by State agencies administering approved plans for old-age assistance, information is available on the sex, marital status, and living arrangements of 1,063,000 recipients of old-age assistance. Of these recipients, 477,000 were accepted for aid in 42 States¹ in selected periods of the fiscal year 1936-37² and 586,000 were accepted in 50 States in the fiscal year 1937-38.

Sex

In the continental United States according to the 1930 census, men comprised 50.1 percent of the population 65 years of age and over, and women 49.9 percent.³ In both 1937-38 and in 1936-37, 52.2 percent of the persons accepted for old-age assistance in the continental United States were men. These percentages would seem to indicate that old-age assistance is being granted to a larger proportion of the aged men in the population than of the aged women. In some States, however, a joint grant may be made to a recipient covering the needs of an eligible spouse. A joint grant is more frequently paid to a husband than to a wife. If adjustment is made for the spouses of recipients of joint grants, the percentages of males and females accepted for old-age assistance in 1937-38 are 50.6 and 49.4 percent, respectively—almost identical with the percentages of males and females in the aged population in 1930. This is shown in table 1.

Although men comprised 50.1 percent of the total population 65 years of age and over in the continental United States, the proportion of men in the States varied from 42 percent in the District of Columbia to 64 percent in Nevada. In table 2 the proportion of men in the aged population of each State is compared with the proportion of men

among the recipients accepted for old-age assistance in 1937-38. The latter figures have been adjusted to include persons sharing in a joint grant. Even with this adjustment, it is evident that in many States there is uneven representation of men and women in the old-age assistance rolls as compared with the census distribution. Some States with large over-representation of men are New Hampshire, Maine, New York, Nevada, Indiana, New Jersey, Wyoming, and Wisconsin. Among the States with heavy under-representation of men are Utah, Colorado, South Carolina, New Mexico, North Carolina, District of Columbia, and Arkansas.

Table 1.—Old-age assistance: Percentage of males and females approved for grants during the fiscal year 1937-38 and of persons in the population 65 years and over, in all States¹

Sex	Recipients accepted 1937-38	Spouses sharing in joint grants made in 1937-38	Total persons approved for grants made in 1937-38		Percentage distribution 65 years and over (1930 census)
			Number	Percent	
Total.....	584,378	22,146	606,524	100.0	100.0
Male.....	305,001	1,626	306,627	50.6	50.1
Female.....	279,377	20,520	299,897	49.4	49.9

¹ Exclusive of Alaska, Hawaii, and also of Virginia, which had no plan for old-age assistance in 1937-38.

Some clue to the uneven representation of men and women accepted for old-age assistance in the different States lies in differences in the marital status of men and women in the aged population of these States. Marital status appears to be a conditioning factor in need.

Marital Status

Of the individuals accepted for old-age assistance in 1937-38 and 1936-37, the proportions who were widowed, married, single, and divorced or separated were remarkably similar in the 2 years. In each year, as is indicated in table 3, about 43 percent of all recipients were widowed and 41 percent married. In analyzing the figures for 1937-38, however, the percentages of widowed and married persons are found to be strikingly different for men and women; 28 percent of the men and 60 percent

* Prepared in the Social Data Section, Division of Public Assistance Research, Bureau of Research and Statistics.

¹ The term "State" is used in this article to include the District of Columbia and the Territories of Alaska and Hawaii. In 1936-37, 43 States were administering old-age assistance programs under plans approved by the Social Security Board, but only 42 States submitted annual reports.

² For the period covered in different States see *Second Annual Report of the Social Security Board*, 1937, p. 142.

³ The Bureau of the Census estimates that in 1935, 49.7 percent of the population 65 years of age and over was male, and 50.3 percent female. The 1930 population data have been used in this article, however, since there are no later estimates of sex distribution for individual States.

Table 2.—Old-age assistance: Percent of males among recipients accepted¹ during the fiscal year 1937-38 compared with the percent in the population 65 years and over in each State²

State	Percent of males		Over- or under-representation of males in acceptances for old-age assistance
	Population 65 years and over (1930 census)	Recipients accepted 1937-38 ³	
Total.....	50.1	50.6	+0.5
Utah.....	50.4	40.6	-9.8
Colorado.....	54.2	45.4	-8.8
South Carolina.....	49.8	43.4	-6.4
New Mexico.....	59.0	53.6	-5.4
North Carolina.....	50.3	45.8	-4.5
District of Columbia.....	42.1	38.7	-3.4
Arkansas.....	54.8	51.7	-3.1
Idaho.....	60.8	57.9	-2.9
Georgia.....	49.8	47.2	-2.6
California.....	50.3	48.2	-2.1
Mississippi.....	52.3	50.3	-2.0
Louisiana.....	48.5	46.6	-1.9
Maryland.....	47.4	45.8	-1.6
Florida.....	53.5	52.7	-.8
Oklahoma.....	56.4	55.7	-.7
Delaware.....	49.1	49.0	-.1
Montana.....	61.8	61.7	-.1
Tennessee.....	51.4	51.3	-.1
Alabama.....	50.2	50.3	+0.1
Massachusetts.....	44.4	44.5	+0.1
Minnesota.....	54.0	54.5	+0.5
West Virginia.....	52.5	53.0	+0.5
Kentucky.....	51.2	51.6	+0.4
North Dakota.....	57.7	58.3	+0.6
Missouri.....	51.1	51.8	+0.7
South Dakota.....	56.2	56.9	+0.7
Nebraska.....	53.7	54.5	+0.8
Pennsylvania.....	46.5	47.5	+1.0
Texas.....	53.1	54.2	+1.1
Vermont.....	49.1	50.2	+1.1
Illinois.....	49.4	50.6	+1.2
Iowa.....	51.4	52.6	+1.2
Arizona.....	58.6	60.0	+1.4
Michigan.....	51.3	52.9	+1.6
Ohio.....	48.7	50.4	+1.7
Rhode Island.....	45.3	47.0	+1.7
Oregon.....	55.8	57.7	+1.9
Kansas.....	52.6	54.6	+2.0
Washington.....	56.4	59.2	+2.8
Connecticut.....	46.6	49.5	+2.9
Wisconsin.....	51.9	55.0	+3.1
Wyoming.....	61.0	64.2	+3.2
New Jersey.....	46.2	49.9	+3.7
Nevada.....	64.0	68.2	+4.2
Indiana.....	50.1	54.6	+4.5
New York.....	46.8	51.4	+4.6
Maine.....	49.5	54.2	+4.7
New Hampshire.....	47.2	54.8	+7.6

¹ Adjustment has been made to include persons sharing in joint grant to spouse.

² Exclusive of Alaska, Hawaii, and also of Virginia, which had no plan for old-age assistance in 1937-38.

³ 60 years and over, to correspond with the State's age requirement for old-age assistance.

⁴ 70 years and over, to correspond with the State's age requirement for old-age assistance.

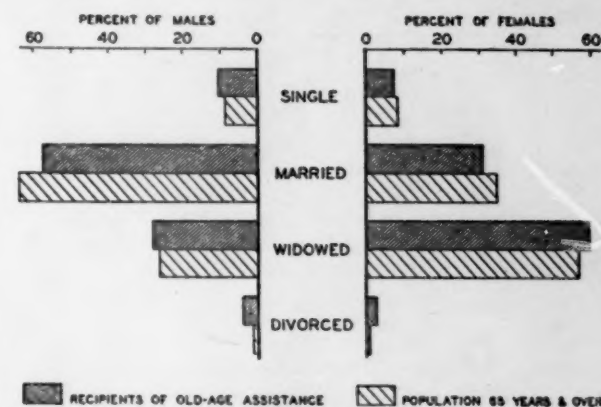
of the women approved for assistance were widowed, whereas 53 percent of the men and only 28 percent of the women were married. The percentages of single persons and of divorced or separated persons also vary in the two sex groups.

That marked differences should exist in the marital status of the men and women accepted for old-age assistance is to be expected, since similar differences exist between men and women in the

general population 65 years of age and over. In the total population the disparity between the sexes with respect to marital status may be accounted for by the fact that men generally marry women younger than themselves. This results in a greater proportion of married men than married women 65 years of age and over and a correspondingly smaller proportion of widowers than widows. Comparison of the marital status of men and women in the age group at risk in the general population in the continental United States and in the accessions to the old-age assistance rolls is made in chart I and in table 4.⁴

As shown in chart I, there is over-representation in the old-age assistance program of men who are single, widowed, or divorced and a substantial under-representation of married men. Both single women and married women are under-represented, whereas there is over-representation of women who are widowed and divorced. If adjustment, however, were made in the figures for these married women who are included in joint grants paid to their husbands, the under-representation of married women would be very slight.

Chart I.—Old-age assistance: Percentage distribution of males and females according to marital status, for recipients accepted during the fiscal year 1937-38 and for the population 65 years and over, in all States¹



¹ Exclusive of Alaska, Hawaii, and also of Virginia, which had no plan for old-age assistance in 1937-38.

It appears from the data that single women are more likely to be cared for by friends and relatives than are single men, and that married persons are less likely to become dependents than are single, widowed, or divorced persons.

⁴ See footnote 2, table 4.

Information on the marital status of recipients accepted for old-age assistance in each State with a plan approved by the Social Security Board is shown in table 5. No attempt has been made to adjust the State percentages for joint grants. States may be interested to make further analysis of the data as an aid to their interpretation.

The percentages of recipients who are widowed, married, single, and divorced or separated vary to considerable extent in the different States. In a number of southern States—South Carolina, Mississippi, North Carolina, the District of Columbia, Arkansas, Alabama, Tennessee, Georgia, and West Virginia—more than one-half of all recipients were widowed. For the 50 States the percentage of widowed recipients is 43.

States in which more than 50 percent of all recipients are married—as contrasted with 41 percent in the 50 jurisdictions—are Nebraska, Texas, Oklahoma, North Dakota, Wisconsin, and Colorado.

States with exceptionally high percentages of single recipients—15 percent or more—are Hawaii, Alaska, Nevada, Washington, Delaware, Rhode Island, and New York. In Hawaii the percentage of single recipients is 54 percent as con-

Table 3.—Old-age assistance: Marital status of recipients accepted during selected periods of the fiscal year 1936-37 and during the fiscal year 1937-38, in all States¹

Marital status	Recipients accepted			
	1936-37 Total	1937-38		
		Total	Male	Female
Number				
Total.....	\$ 477, 132	\$ 585, 877	306, 214	279, 663
Widowed.....	209, 499	252, 756	85, 938	166, 818
Married.....	194, 900	241, 199	162, 923	78, 276
Single.....	41, 173	51, 787	31, 572	20, 215
Divorced or separated ⁴	31, 248	40, 100	25, 763	14, 337
Percent				
Total.....	100.0	100.0	100.0	100.0
Widowed.....	43.9	43.2	28.1	59.7
Married.....	40.9	41.2	53.2	28.0
Single.....	8.6	8.8	10.3	7.2
Divorced or separated ⁴	6.6	6.8	8.4	5.1

¹ Exclusive of Virginia, which had no plan for old-age assistance in 1937-38.

² Includes 303 cases for whom information concerning marital status was unknown; these cases were omitted in computing percentages.

³ Includes 35 cases (18 male, 17 female) for whom information concerning marital status was unknown; these cases were omitted in computing percentages.

⁴ Includes persons married and living apart whether or not legally separated.

Table 4.—Old-age assistance: Marital status, by sex, of recipients accepted during the fiscal year 1937-38 and of the population 65 years and over, in all States¹

Marital status ¹	Recipients accepted for old-age assistance during 1937-38			Population 65 years and over (1930 census)		
	Total	Male	Female	Total	Male	Female
Number						
Total.....	584,343	304,983	279,360	6,517,127	3,266,514	3,250,613
Widowed.....	252,297	85,676	166,621	2,704,242	868,438	1,835,804
Married.....	262,787	176,606	86,181	3,206,101	2,077,671	1,128,430
Single.....	51,123	30,919	20,204	539,311	276,541	262,770
Divorced.....	18,136	11,782	6,354	54,696	37,000	17,696
Percent						
Total.....	100.0	100.0	100.0	100.0	100.0	100.0
Widowed.....	43.2	28.1	59.7	41.6	26.7	58.8
Married.....	45.0	57.9	30.8	49.3	63.7	34.8
Single.....	8.7	10.1	7.2	8.3	8.5	8.1
Divorced.....	3.1	3.9	2.3	.8	1.1	.8

¹ Exclusive of Alaska, Hawaii, and also of Virginia, which had no plan for old-age assistance in 1937-38.

² The 1930 census classifies as "married" all individuals who are married and living apart whether legally separated or not. Data from the State agencies classify the legally separated with the "divorced." In this table, to aid comparability of data, recipients of old-age assistance who are married and living apart, but not legally separated, are included with the "married." Those legally separated are classified as "divorced," since it was impossible to differentiate the legally separated from the divorced.

³ Includes 12,777 persons (6,864 males and 5,913 females) for whom information concerning marital status was unknown; these persons were omitted in computing the percentages.

⁴ Includes persons living apart but not legally separated.

⁵ Includes legally separated.

trasted with 9 percent for the 50 States. The Territorial Board of Public Welfare of Hawaii reports that many of the single recipients in Hawaii are Chinese who were imported as laborers and have not married.

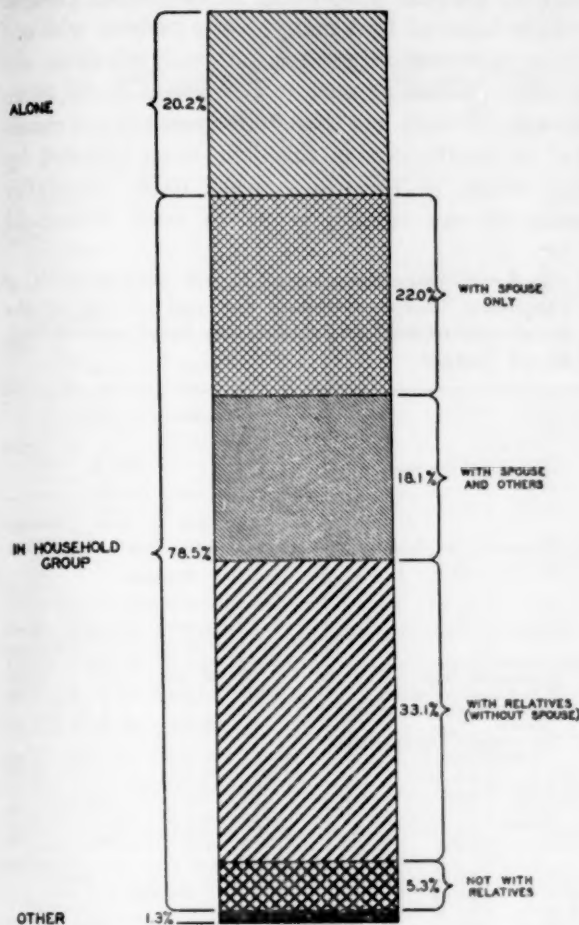
Relatively large proportions of divorced or separated recipients were accepted during 1937-38 in Wyoming, Oregon, Nevada, Arizona, California, Kansas, and the District of Columbia.

Living Arrangements

The primary objective of the old-age assistance program is to enable aged persons who are in need to live in their own homes or to have a measure of independence in the homes of relatives or of other persons unable to provide for their care without serious burden. The data on living arrangements, which are summarized in table 6, supply evidence that this objective has been achieved. In both years four-fifths of the persons accepted for old-age assistance were living in household groups and about one-fifth alone.

A negligible number, about 1 percent, were living in institutions. This figure is significant in

Chart II.—Old-age assistance: Living arrangement effective at time of first payment for recipients accepted during the fiscal year 1937-38, in all States¹



¹ Exclusive of Virginia, which had no plan for old-age assistance in 1937-38.

light of the fact that the Social Security Act permits Federal participation in grants to recipients living in private institutions. As a permanent arrangement, it appears probable that an even smaller proportion of the recipients will reside in institutions than is indicated by the data. Inasmuch as the Federal Government will not participate in grants to persons in public institutions, most States make no grants to such persons, although some States permit recipients to remain in public institutions until after the first payment has been made. Information on living arrangement is reported as of the time of first payment.

For 1937-38, detailed information is available concerning the living arrangements of recipients living in household groups. Such recipients comprise 78.5 percent of all recipients accepted for aid.

As is indicated in chart II and table 6, 22 percent were living with their spouses only, 18 percent were living with a spouse and others, 33 percent were living with relatives but not with a spouse, and 5 percent were living in household groups, not with relatives.

Table 5.—Old-age assistance: Marital status of recipients accepted during the fiscal year 1937-38, in each State¹

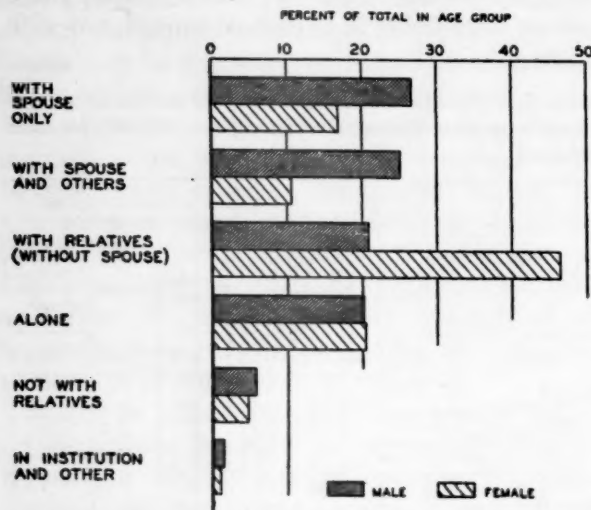
Region and State	Total recipients accepted	Percent of recipients having specified marital status			
		Widowed	Married	Single	Divorced or separated
Total.....	585,877	43.2	41.2	8.8	6.8
Region I:					
Connecticut.....	2,797	42.6	35.7	14.0	7.7
Maine.....	10,356	44.1	38.9	9.8	7.2
Massachusetts.....	19,550	40.9	40.1	12.7	6.3
New Hampshire.....	987	47.9	32.3	11.9	7.9
Rhode Island.....	2,588	40.6	37.0	15.1	7.3
Vermont.....	2,052	47.3	37.7	8.7	6.3
Region II:					
New York.....	23,423	39.3	38.5	15.0	7.2
Region III:					
Delaware.....	147	39.4	35.4	16.3	8.9
New Jersey.....	8,928	40.1	41.0	12.3	6.6
Pennsylvania.....	20,266	49.1	34.8	11.4	4.7
Region IV:					
District of Columbia.....	987	55.1	21.6	13.2	10.1
Maryland.....	4,952	48.9	33.0	11.0	7.1
North Carolina.....	33,060	55.9	32.8	8.1	3.2
West Virginia.....	4,498	50.1	34.8	7.1	8.0
Region V:					
Kentucky.....	5,757	44.3	43.9	5.8	6.0
Michigan.....	41,323	36.5	49.7	6.9	6.9
Ohio.....	19,020	36.6	46.1	9.9	7.4
Region VI:					
Illinois.....	25,133	40.4	41.5	10.0	8.1
Indiana.....	9,166	43.5	43.0	7.4	8.1
Wisconsin.....	9,209	34.2	50.8	9.1	5.9
Region VII:					
Alabama.....	6,470	52.9	34.0	6.8	6.3
Florida.....	21,082	44.1	43.3	4.8	7.8
Georgia.....	36,700	50.3	38.6	6.8	4.3
Mississippi.....	1,992	59.0	31.1	8.1	4.8
South Carolina.....	24,415	50.5	30.2	6.2	4.1
Tennessee.....	24,647	50.8	37.3	6.5	5.4
Region VIII:					
Iowa.....	14,316	35.8	48.1	8.8	7.3
Minnesota.....	8,855	33.1	48.7	12.3	5.9
Nebraska.....	3,510	34.3	51.3	7.7	6.7
North Dakota.....	1,496	32.5	50.8	12.1	4.6
South Dakota.....	8,988	37.7	49.7	7.7	4.9
Region IX:					
Arkansas.....	6,066	53.1	36.6	4.5	5.8
Kansas.....	21,516	41.9	38.7	9.2	10.2
Missouri.....	29,012	45.3	42.5	7.2	5.0
Oklahoma.....	7,432	37.6	50.9	3.9	7.6
Region X:					
Louisiana.....	8,479	46.6	40.6	6.1	6.7
New Mexico.....	1,002	49.9	36.0	6.0	8.1
Texas.....	16,934	35.2	51.2	5.6	8.0
Region XI:					
Arizona.....	6,540	39.3	37.0	11.9	11.8
Colorado.....	11,833	35.7	50.5	6.6	7.2
Idaho.....	1,546	39.5	41.7	10.2	8.6
Montana.....	3,216	36.7	42.6	13.2	7.5
Utah.....	7,585	42.6	49.3	3.9	4.2
Wyoming.....	531	44.2	29.8	12.8	13.2
Region XII:					
California.....	47,964	38.2	41.1	9.8	10.9
Nevada.....	2,145	37.0	24.4	26.2	12.4
Oregon.....	7,109	34.9	41.9	10.7	12.5
Washington.....	9,858	32.7	40.8	16.9	9.6
Territories:					
Alaska.....	554	37.2	27.8	28.0	7.0
Hawaii.....	945	26.8	13.6	53.9	5.7

¹ Exclusive of Virginia, which had no plan for old-age assistance in 1937-38.

² Includes persons married and living apart whether or not legally separated.

³ Includes 35 recipients for whom information concerning marital status was unknown; these cases were omitted in computing percentages.

Chart III.—Old-age assistance: Percentage distribution of males and females according to living arrangement, for recipients accepted during the fiscal year 1937-38, in all States¹



¹ Exclusive of Virginia, which had no plan for old-age assistance in 1937-38.

The fact that two-fifths of the recipients were living either alone or with a spouse only indicates a relatively high degree of independence of the old people.

The differences in living arrangements of the aged men and women reflect the differences in their marital status. As is shown in table 6 and chart III, 52 percent of the men were living with wives, whereas 27 percent of the women were living with husbands. These proportions correspond fairly closely to the percentages of married men and women accepted for assistance. If adjustment were made for the influence of joint grants, the disparity between the percentages of men and women living with the spouse would be lessened somewhat. About 21 percent of the men were living with other relatives, without a spouse, as contrasted with 46 percent of the women. Since a much larger proportion of the women than of the men are widowed, this is to be expected. Among both men and women, about 20 percent were living alone. A slightly higher proportion of the men than of the women, 6 percent and 5 percent, respectively, were living in household groups, not with relatives.

The percentages of recipients living in household groups, in institutions, and alone are shown for each State in table 7. In the continental United States, the proportion of persons living in

household groups varies from 46 percent in Nevada to 89 percent in Kentucky. In Hawaii only 35 percent were living in household groups.

It is believed that many of the persons who are living in household groups, not with relatives, are in effect "boarding out." This seems likely, since households with less than 10 lodgers are not classified as institutions in the definitions followed by the States in recording social data. Probably some of the aged persons in such household

Table 6.—Old-age assistance: Living arrangement of recipients accepted during selected periods of the fiscal year 1936-37 and during the fiscal year 1937-38, in all States¹

Living arrangement	Recipients accepted			
	1936-37 Total	1937-38		
		Total	Male	Female
Number				
Total.....	477,132	585,877	306,214	279,663
In household group.....	378,309	459,896	240,085	219,811
With spouse only.....		128,587	81,744	46,974
With spouse and others.....		106,218	70,846	29,534
With other relatives, without spouse.....		193,969	63,822	129,887
Not with relatives, but eating at same table.....	26,268	31,122	17,673	13,436
Alone.....	83,523	118,540	61,477	57,093
In institution.....	4,925	5,886	3,861	2,025
Public.....	153	173	142	31
Private.....	4,772	5,713	3,719	1,994
Other.....	2,866	1,486	756	730
Percent				
Total.....	100.0	100.0	100.0	100.0
In household group.....	80.6	78.5	78.4	78.6
With spouse only.....		22.0	26.7	16.8
With spouse and others.....		18.1	23.1	12.6
With other relatives, without spouse.....		33.1	20.8	46.4
Not with relatives, but eating at same table.....	5.6	5.3	5.8	4.8
Alone.....	17.8	20.2	20.1	20.4
In institution.....	1.0	1.0	1.3	.7
Public.....	(¹)	(¹)	.1	(¹)
Private.....	1.0	1.0	1.2	.7
Other.....	.6	.3	.2	.3

¹ Exclusive of Virginia, which had no plan for old-age assistance in 1937-38.

² Includes 6,605 recipients in New Jersey for whom living arrangement was not reported and 814 recipients whose living arrangement was unknown; these cases were omitted in computing percentages.

³ Includes 69 recipients (35 male, 34 female) for whom living arrangement was unknown; these cases were omitted in computing percentages.

⁴ Less than 0.1 percent.

groups would be living in almshouses if old-age assistance grants were not available for their support. Hawaii, New Hampshire, Maine, and Vermont show comparatively high proportions of recipients in households in which there are no relatives.

Table 7.—Old-age assistance: Living arrangement to be effective at time of first payment for recipients accepted during the fiscal year 1937-38, in each State¹

Region and State	Total recipients accepted	Percent of recipients having specified living arrangement						
		In household group					Alone	In institution
		Total	With spouse only	With spouse and others	With other relatives, without spouse	Not with relatives		
Total.....	585,877	78.5	22.0	18.1	33.1	5.3	20.2	1.0
Region I:								
Connecticut.....	2,797	79.0	18.7	15.5	35.5	9.3	18.5	1.7
Maine.....	10,356	83.5	20.8	17.1	33.1	12.5	15.4	.9
Massachusetts.....	19,550	79.8	18.9	20.2	34.7	6.0	18.3	1.0
New Hampshire.....	987	77.5	19.7	12.1	31.9	13.8	21.8	.5
Rhode Island.....	2,588	77.1	20.3	16.0	34.1	6.7	21.5	.7
Vermont.....	2,052	86.9	21.9	14.9	39.4	10.7	13.0	(²)
Region II:								
New York.....	23,423	73.9	22.3	15.1	27.7	8.8	23.9	2.0
Region III:								
Delaware.....	147	85.7	22.5	12.2	41.5	9.5	12.3	2.0
New Jersey.....	6,928	77.4	21.0	18.0	30.5	7.9	21.3	.4
Pennsylvania.....	20,266	80.5	16.9	17.2	39.7	6.7	18.1	1.2
Region IV:								
District of Columbia.....	987	69.5	7.4	13.7	39.5	8.9	29.2	.8
Maryland.....	4,952	82.0	14.4	17.5	43.0	7.1	16.7	.8
North Carolina.....	33,000	86.7	12.7	19.6	50.1	4.3	13.1	.1
West Virginia.....	4,498	79.2	11.4	22.6	38.2	7.0	20.8	.1
Region V:								
Kentucky.....	5,757	88.6	24.2	19.5	40.6	4.3	11.2	.1
Michigan.....	41,323	79.0	30.1	19.0	25.2	4.7	20.2	.6
Ohio.....	19,020	80.4	21.5	23.8	29.7	5.4	18.5	.7
Region VI:								
Illinois.....	25,133	77.5	24.8	16.0	32.1	4.6	20.2	2.2
Indiana.....	9,166	78.4	26.0	16.0	31.4	5.0	17.8	3.7
Wisconsin.....	9,209	82.3	27.4	22.6	27.3	5.0	16.6	1.1
Region VII:								
Alabama.....	6,470	80.5	18.5	15.0	40.8	6.2	19.3	.1
Florida.....	21,082	80.1	20.4	22.2	33.5	4.0	19.4	.3
Georgia.....	30,700	84.7	16.6	21.7	42.4	4.0	14.8	.2
Mississippi.....	1,992	84.4	14.3	16.3	47.3	6.5	15.5	.1
South Carolina.....	24,415	82.3	12.0	17.8	49.2	3.3	17.5	.1
Tennessee.....	24,647	85.1	14.7	18.1	46.1	6.2	14.5	.1
Region VIII:								
Iowa.....	14,316	81.9	26.4	18.5	27.3	9.7	16.8	.9
Minnesota.....	8,855	78.7	22.3	25.2	26.1	5.1	18.2	2.7
Nebraska.....	3,510	77.8	30.4	19.1	22.9	5.4	20.8	.8
North Dakota.....	1,486	74.2	35.0	15.4	18.8	5.0	23.4	2.0
South Dakota.....	8,988	81.6	28.1	21.1	29.1	3.3	17.4	.8
Region IX:								
Arkansas.....	6,966	74.4	21.6	14.5	33.7	4.6	25.3	(²)
Kansas.....	21,516	69.0	24.4	13.7	25.7	5.2	29.9	.6
Missouri.....	29,012	81.2	22.5	15.9	34.2	8.6	18.0	.7
Oklahoma.....	7,432	82.5	24.2	25.9	29.2	3.2	17.1	.3
Region X:								
Louisiana.....	8,479	79.7	20.9	19.3	35.7	3.8	19.4	.6
New Mexico.....	1,002	64.3	17.1	17.0	27.0	3.2	35.3	.3
Texas.....	16,934	82.1	22.7	28.3	27.6	3.5	17.4	.2
Region XI:								
Arizona.....	6,540	61.8	26.3	9.3	22.9	3.3	36.6	.5
Colorado.....	11,833	78.2	29.4	20.5	25.8	2.5	21.1	.4
Idaho.....	1,546	64.2	26.2	14.8	19.9	3.3	34.5	.7
Montana.....	3,215	66.5	21.5	20.0	21.2	3.8	32.0	.7
Utah.....	7,585	79.6	28.7	20.4	28.9	1.6	20.2	.2
Wyoming.....	631	60.6	18.4	10.4	25.2	6.6	38.6	.6
Region XII:								
California.....	47,954	70.2	27.3	13.0	26.0	3.9	26.6	2.9
Nevada.....	2,145	45.6	17.2	7.0	17.2	4.2	53.6	.4
Oregon.....	7,169	66.1	28.8	12.5	19.5	5.3	32.8	.7
Washington.....	9,858	61.3	29.9	10.2	16.9	4.3	35.8	2.4
Territories:								
Alaska.....	554	48.9	14.3	12.6	20.2	1.8	50.4	.7
Hawaii.....	945	34.9	4.0	5.1	11.3	14.5	45.2	18.9

¹ Exclusive of Virginia, which had no plan for old-age assistance in 1937-38.
² Includes 69 recipients for whom information concerning living arrangement at time of first payment was unknown; these cases were omitted in computing percentages.

³ Of this total less than 0.1 percent (reported by 8 States) were in public institutions: Oregon, South Carolina, and Tennessee each had less than 0.1 percent; Arizona and Kansas, each 0.1; Ohio, 0.2; Montana, 0.3; and Illinois,

0.4. Four States (Illinois, Kansas, Oregon, and Tennessee) which reported recipients in public institutions do not give old-age assistance to permanent residents of such institutions. Applicants in public institutions whose grants are approved are permitted to remain in the institution until the first payment is received and arrangements can be made for their removal.

⁴ Less than 0.1 percent.

Among the States in which 2 percent or more of the recipients accepted for assistance were living in public or private institutions—that is, proprietary or incorporated institutions and lodging houses with 10 or more lodgers—are Hawaii, Indiana, California, Minnesota, Washington, Illinois, North Dakota, and New York. Illinois, however, does not make payments to permanent residents of institutions. In Hawaii 19 percent of all recipients were living in institutions.

The percentages of recipients living alone in the continental United States ranges from 11 in Kentucky to 54 in Nevada. In a number of

western States—Nevada, Wyoming, Arizona, Washington, New Mexico, Idaho, Oregon, and Montana—the percentage was unusually large. In all these States except New Mexico the percentages of males and of single persons are high, and the level of grants is also high, thus enabling these recipients to maintain themselves independently.

The next Bulletin articles on the social characteristics of the recipients of old-age assistance will deal with their physical condition and medical care, and an analysis of such characteristics as age, race, and nativity.

CASH BENEFITS UNDER VOLUNTARY DISABILITY INSURANCE

ELIZABETH L. OTEY *

Disability is a major cause of dependency and insecurity. It entails both the loss of earnings and the expense of medical care. On an average day, 5 to 6 (or possibly 7) million persons are incapacitated for work or other usual activities by reason of disabling physical or mental illness. The widespread extent of this disablement gives an idea of the social problem involved. The loss of wages by workers who are in the labor market is estimated at upwards of \$1 billion annually. The expense of medical care amounts to more than \$3 billion a year.

The costs and losses that make up this aggregate of more than \$4 billion are borne in a number of ways. Of the \$3 billion or more in medical expenditures, including payments for professional services, for hospitals and public-health services, medicines, and the like, families pay directly approximately 80 percent. Government defrays about 16 percent, industry about 2 percent, and philanthropy about 2 percent. The share borne by families is paid, for the very large part, on a fee-for-service basis.

Two characteristics of disabling sickness stand out sharply: that while the frequency and duration of sickness may not be predicted for the individual, both are capable of measurement for the population as a whole. Various studies of the health of the population give data from which valid estimates may be drawn. The most recent of these surveys, comprising 2.3 million persons in 81 cities, found that 172 illnesses, disabling for one week or more, occur annually per 1,000 population. It is estimated that each case including chronic disablement lasts on the average 57 days. On this basis, it is estimated that a person may expect in a year an average of 9.8 days of incapacity from illness lasting one week or longer.¹ Further, these studies have confirmed the observation that the impact of disabling sickness, both in frequency and severity, is greatest among low-

income groups least able to bear the costs and losses. Among at least one-third of the population these burdens cannot be financed out of family income or savings.² Disability is therefore a serious social as well as an individual risk.

Insurance against the risk of sickness may take several forms. It may pay cash benefits or it may grant medical services or hospital services or provide all three, as in workmen's compensation.

A relatively small number of persons, perhaps 2 million in all, receive medical service under prepayment plans. This insurance spreads expenses for a stated period over a group of persons and enables families and individuals to budget costs in advance. A somewhat larger number, nearly 3 million at the end of 1938, including both wage earners and salaried workers and sometimes their families, have a limited protection against medical costs through hospitalization insurance. These plans, established on a nonprofit basis and usually under community auspices, ordinarily do not cover doctors' bills. They entitle the insured to hospital service, if necessary, for a stated number of days, generally 21, within a year.

Except for the cash benefits payable under workmen's compensation, insurance protection against financial risks of sickness and disability has been made in the United States almost wholly by voluntary insurance. Insurance on a voluntary basis has been extensively used in the United States to finance the risk occasioned by death. The purpose of this article is to summarize available data on the nature and extent of the analogous provisions of voluntary insurance to finance burdens produced by sickness, that is, insurance that pays cash benefits.

The limitation of the present treatment to insurance that pays sickness benefits in cash excludes consideration of the medical care or hospital service insurance schemes mentioned above. Likewise, since the insurance here discussed is voluntary, consideration is not given here to disability com-

*Bureau of Research and Statistics, Division of Health Studies. This article is a summary of a more detailed report to be issued subsequently.

¹ *The National Health Survey: 1935-38, An Estimate of the Amount of Disabling Illness in the Country as a Whole.* Preliminary Reports, Sickness and Medical Care Series, Bull. No. 1, p. 3.

² Interdepartmental Committee to Coordinate Health and Welfare Activities. *Report and Recommendations on National Health.* H. Doc. 120, 76th Cong., 1st sess., p. 10.

pensation for Federal, State, or municipal employees. For the same reason, workmen's compensation for industrial accidents applying to approximately 25 million employees and, in some States, to a limited extent compensation for occupational diseases also, is omitted from the discussion.

Not to be confused with insurance schemes is the protection afforded certain salaried and wage workers through the generosity of employers who continue their salaries during sickness for a more or less limited period, or provide, from company funds, certain benefits in the event of sickness, disability, or death. Such measures, which apply chiefly to office workers, much less often to wage earners, are not considered here. Nor is consideration given to other individual resources which might be used by sick or disabled individuals, such as owned homes that might be mortgaged, savings bank accounts and other investments, cash-surrender and loan values under ordinary or industrial life insurance policies, matured endowment policies, annuities and pensions, and so on. It may be assumed that in many, if not most, instances these resources are available for expenses arising from illness only at the sacrifice of other essential needs for which they are intended. In any event, they are doubtless slight or entirely wanting among some 65 percent of the families of the Nation who have annual incomes under \$1,500.³ Members of these families constitute the group which suffers most from disabling illness, both in frequency and severity of cases.

Voluntary sickness insurance may be classified as commercial or cooperative. As contrasted with the insurance issued by commercial stock and mutual companies, cooperative insurance is found among fraternal societies and in employees' and trade-union sick-benefit associations. Classification of insurance as commercial or cooperative is adopted to identify practices according to the terminology ordinarily used. It is recognized, of course, that the mutual companies, included in the first category, constitute a borderline group, in that any excess of income over disbursements is returned to policyholders.

Commercial Insurance

Commercial insurance, more highly developed than cooperative insurance, has two types of

contract, individual and group. Like other business enterprise it has devised types of policies to fit the purse of would-be purchasers, policies for persons in moderate or well-to-do circumstances and policies for industrial workers. Disability insurance has not developed as a separate branch of commercial insurance but has been attached to life and casualty insurance. It has become increasingly common to separate the two risks of sickness into temporary and permanent disability and for different insurance carriers to insure these risks, but there is no clean-cut distinction between the two risks such as is found in social insurance under foreign systems. The tendency is for casualty or multiple-line companies to insure temporary disability while life insurance companies generally insure the risk of permanent disability.⁴ Temporary disability as a result of ordinary sickness, i. e., sickness not due to accidental causes, is not underwritten alone. A policy covering temporary disability from ordinary sickness is accompanied by an accident policy, written either in connection with the sickness policy or separately. Insurance against total and permanent disability may be provided in a disability clause attached to a life insurance policy. Permanent disability due to an accident is also covered by certain accident policies.

As might be expected, competition among commercial insurers has produced a great variety of disability policies, estimated at more than 800 by one authority.⁵ From the array of limited, restricted, and general policies, typical policies have been selected for illustration. Policies usually purchased by persons of moderate or comfortable income to cover the risk of temporary disability are: (1) cancelable general accident and health policies, (2) noncancelable, aggregate indemnity, accident and health policies, and (3) accident policies. Among wage earners there are (1) industrial life, accident, and sickness policies and (2) group accident and health policies. Persons in moderate circumstances insure against permanent disability by means of (1) the total and permanent disability clause attached to life insurance policies, (2) acci-

⁴ Life insurance companies which insure temporary disability through special accident and health departments are in a sense multiple-line companies.

⁵ LaMont, Stewart M. "The Contract of Personal Accident and Health Insurance." *Proceedings of the Casualty Actuarial Society*, Vol. 18, Pt. 1 (November 1931), p. 21.

³ National Resources Committee. *Consumer Incomes in the United States*, August 1938, p. 2.

dent policies, and (3) a few noncancelable, life indemnity, accident and health policies.

Among wage earners certain specific dismemberments that are considered causes of total and permanent disability are insured by (1) industrial life insurance policies and (2) similar provisions of group accidental death and dismemberment policies. Some group life insurance policies, issued prior to 1932, pay the face of the policy in either a lump sum or installments in the event of total and permanent disability. Although these policies are no longer issued it is likely that 4.5 million persons still have this coverage. For a limited number of wage earners holding group annuities, the surrender value of the annuity may be collected in the event of total and permanent disability.

The provisions of a cancelable general accident and health policy illustrate insurance of temporary disability. The accident part of the policy provides a flat sum for accidental death and specific dismemberments, a weekly benefit for total disability up to 52 weeks, and, in case of total and permanent disability, a benefit as long as this condition lasts. Two-fifths of the weekly indemnity is granted for partial disability. The policy gives, moreover, certain medical benefits in the form of cash payments for surgeons' fees, operations, hospital, and nurses up to a definite sum and in accordance with a fixed schedule of charges. The sickness policy, after a waiting period of 7 days, pays a weekly benefit for total disability up to a maximum of 52 weeks and medical benefits similar to those of the accident policy.

Permanent and total disability insured under a disability clause attached to life insurance grants a monthly income and waives future premiums on the life insurance policy. A long waiting period of continuous total disability, generally 6 months, is required to establish the permanency of total disability. Because of the poor experience with policies that continue income during permanent disability, 60 percent of the life insurance companies, representing 85 percent of the business, have done away with the monthly income feature in new policies and grant only the premium waiver.⁸

Nor has underwriting the so-called health risk in accident and health insurance been profitable to

the companies. This is the risk of sickness arising from ordinary causes, as distinguished from sickness or disability due to accidental means. The Nation-wide experience of 45 stock companies licensed to do business in New York State in underwriting cancelable policies shows that company losses and expenses have turned out to be higher than the sum set aside by actuarial computation.⁷ Accident and health departments in large life insurance companies which make a practice of selling these policies and underwrite them with great care have a satisfactory experience.⁹ The poor experience of noncancelable accident and health policies has paralleled that of the income provision of disability clauses in life insurance. In 1935 only four companies continued to underwrite indemnity for life in new policies. Others had gone over to aggregate policies limiting benefits to a designated period of disability or to a specified amount of indemnity.⁹

Industrial insurance, specially planned for wage earners, is primarily life insurance and provides a small death benefit—somewhat over \$200 on the average. The distinguishing feature of this insurance is the weekly collection of premiums in small amounts by agents who come to the homes of wage earners. Some 50 million wage earners and their families pay annually about \$742 million in premiums.¹⁰ Disability benefits, a relatively insignificant part of the policy, are granted for specific dismemberments, loss of both feet, of both hands, of one foot and one hand, and total loss of eyesight. They consist of premium waiver and a sum equal to the whole or, usually, one-half the value of the life policy. Since these particular severances occur rarely, the total cash benefit paid by industrial insurance for disability benefits is small, amounting in 1935 to \$2.2 million in comparison with \$199.3 million for total claims paid.¹¹

In the South and Southwest an industrial policy is sold which covers the three risks of death,

⁷ The Spectator. *Insurance Year Books, Casualty, Surety and Miscellaneous*, 1932-37; Nation-wide experience of different casualty lines.

⁸ Sommer, Armand, a discussion in *Proceedings of the Casualty Actuarial Society*, Vol. 22, Pt. 1 (November 1935), p. 116, of papers by Ward Van Buren Hart and John H. Miller.

⁹ Miller, John H., op. cit., p. 249.

¹⁰ Average for 5 years, 1931-1935, based on the premiums minus dividends of 3 large industrial companies doing an average of 83.7 percent of total industrial business, according to the annual reports of the New York State Superintendent of Insurance.

¹¹ Based on reports of 3 major industrial companies doing 84.1 percent of total industrial business. New York (State) Insurance Department. *Seventy-seventh Annual Report of the Superintendent of Insurance*, Pt. II, 1936.

⁸ Miller, John H. "History and Present Status of Non-Cancellable Accident and Health Insurance." *Proceedings of the Casualty Actuarial Society*, Vol. 21, Pt. 2 (May 1935), p. 252.

accident, and sickness. These policies, held largely by Negroes, contain restrictions and limitations of many kinds. The number of weeks of benefit varies from 10 weeks in 6 months to 13, 15, 16, 20, or 26 weeks in 12 months. A waiting period of 7 consecutive days with payment retroactive is usual. In general, weekly benefits for diseases whose causes run back over a period prior to the date of the policy are reduced to one-half regular benefits during the first 6 months or year. Often the policy lists specific diseases which receive half benefits the first year. In reply to a questionnaire, data from 17 companies showed an average annual sick benefit of \$4.87 to disabled policyholders. The average annual premium paid by all policyholders amounted to \$4.62.

Group accident and health insurance is underwritten for as small a number as 25 employees. The employer may or may not contribute to the plan, but he agrees to deduct wage earners' premiums from wages. Each group of employees is underwritten separately, since the premium has to be determined by factors that vary with the establishment, the amount of weekly benefit, wages, waiting period, duration of benefit, nature of the industry, sex and race of the employees. As a rule the waiting period is 7 days, and benefits are granted for 13 weeks in a year. The monthly premium rate for \$10 weekly indemnity on these terms is 60 cents a month, but this is a basic rate which applies to white men in nonhazardous occupations. Actually, monthly premiums for industrial groups run considerably higher. The amount of initial premium to cover expenses and contingencies varies from 34.6 percent to 16.2 percent. When the monthly premium is 60 cents, 30 percent or 18 cents is set aside for these administrative expenses and margins. These percentages are probably higher than those actually paid, since it is the practice of the companies to leave a wide margin in loading in order to carry without loss a comparatively small group, even if the morbidity should be higher than average. A wide margin has the double advantage of covering the first year's expenses which are higher and of obviating the necessity for increasing the premium the next year on renewal of the policy, should the morbidity have proved higher than expected. If the premium¹²

¹² Fitzhugh, Gilbert W. "Recent Morbidity Upon Lives Insured Under Group Accident and Health Policies and Premiums Based Thereon." *Transactions, Actuarial Society of America*, Vol. 38 (October 1937), p. 378.

turns out to be more than sufficient the rate can be lowered the next year or a dividend paid. By the payment of an extra premium hospitalization benefits and surgical fees may be granted the insured and, under recent plans, to his family.

Mutual accident and sickness associations on an assessment basis, which constitute a form of mutual casualty insurance, may well be included under commercial insurance. They resemble fraternal societies and sometimes operate in connection with them but appear commercial, in that they are staffed to a considerable extent by salaried physicians and agents. Instead of assessments, advance premiums subject to assessment may be paid. The associations cover for the most part persons in the same order or calling, such as Masons, commercial travelers, clergymen, railway employees, physicians. About 2 million persons carried this insurance in 1935; benefits paid in that year amounted to \$18 million.

Cooperative Insurance

Among representatives of cooperative insurance, the fraternal societies have directed their efforts to life insurance. Practically all societies insure against death, while less than one-half provide insurance against temporary disability and less than two-thirds against permanent disability. The disability insurance plans of different societies vary widely both in amount and duration of benefits. The temporary sickness benefit is commonly \$5 a week; and the benefit for permanent and total disability may be one-half the amount of the life certificate, waiver of future premiums, or the surrender value of the certificate. The number and membership of fraternal orders have been declining. At present there are over 7 million members, 1 million of whom are children. Perhaps 2 million members have some sort of sickness protection available, but the extent to which they insure is unknown. With the exception of certain organizations of persons of foreign birth, members of fraternal associations are chiefly small businessmen and skilled workmen, rather than low-paid wage earners. Probably the membership of fraternal orders includes half a million wage earners who are insured, in one way and another, against disability.

Nonprofit mutual sick-benefit associations are most commonly found among employees of an

Social Security

establishment or among members of a trade-union. Employee associations are about equally divided between those entirely self-supporting and those aided by employers. Benefits are paid for temporary disability chiefly, and usually amount to \$9 or \$10 a week for an average period of 13 weeks. In case of permanent disability, a lump sum is granted equal to the maximum number of weekly benefits the plan provides. Dues are deducted from wages and in nearly two-thirds of the societies are the same for all members regardless of age. The associations have demonstrated their ability to operate successfully and, because of the unpaid services of members, at low cost, but apparently they are not growing. Somewhat more than a million persons are insured against sickness by this means.

Interest in sickness insurance on the part of trade-unions has manifested itself in various ways. Some of the national and international unions have benefit plans for temporary sickness and permanent disability; in other unions such plans are left to the locals. Another group of unions, notably the railroad brotherhoods, have established insurance departments where members may take out life and accident insurance. The number of national and international unions with sick-benefit associations has dwindled from 12 in 1926 to 6 in 1936. With annual dues of \$7.60, these associations furnish benefits for temporary disability in amounts running from \$4 to \$10 a week for a period of 8, 10, 13, or 16 weeks after a waiting period of 7 or 14 days.¹³ A maximum is prescribed as to the amount of benefit any one member may receive. A few associations pay the death benefit for permanent disability. In view of the great emphasis the unions place on life insurance, it is natural that the risk of permanent disability is more insured than that of temporary disability.

Extent to Which Cash Benefits Are Provided

There is no way of knowing with accuracy the number of persons in the United States who are insured against sickness by means of cash benefits. It is safe to say that only a small fraction are adequately protected. Some persons in better circumstances may hold accident and health policies against temporary disability and older life insurance policies with income during permanent

disability, but for the great majority the protection is fragmentary and inadequate. They may have a limited accident policy here, or an accident and sickness policy there, or a premium waiver on life insurance.

Table 1.—Estimated cash benefit payments for sickness losses in the United States in 1935 through voluntary insurance¹

Classification of insurance	Benefits (in millions)
Total.....	\$202.2
1. Commercial insurance:	
A. Purchased chiefly by persons with moderate or comfortable incomes:	
Temporary disability:	
Accident and health departments.....	24.3
Stock casualty and surety companies.....	33.5
Mutual benefit and assessment companies.....	18.0
Permanent disability:	
Ordinary life insurance.....	68.6
B. Purchased chiefly by wage earners:	
Temporary disability:	
Industrial life, accident, and sickness.....	9.3
Group accident and health.....	11.0
Permanent disability:	
Industrial life insurance:	
Dismemberment and blindness.....	2.2
Group life insurance.....	12.0
2. Cooperative insurance:	
A. Purchased chiefly by persons of modest income and by a few wage earners:	
Temporary and permanent disability:	
Fraternal societies.....	9.0
B. Purchased chiefly by wage earners:	
Temporary or permanent disability:	
Employees' mutual sick-benefit associations.....	10.0
Trade-union sick-benefit associations.....	4.3

¹ Deductions have been made from reported payments under commercial policies for amounts estimated to have been paid as accidental death and double indemnity benefits and—under ordinary and industrial life policies—for amounts of premium waiver during total and permanent disability.

² Includes some benefits for total and permanent disability. The figure of \$24.3 million is obtained after deducting from reported payments \$11 million included below under group accident and health, and \$4.1 million included in the figure given for industrial life, accident, and sickness insurance.

³ Includes a small amount of payments for total and permanent disability.

⁴ Represents reported amounts after deduction of \$12 million included below as disability payments under group life insurance.

Source: The Spectator, *Insurance Year Book, 1936-37, Casualty, Surety and Miscellaneous and Life Insurance Volume*; New York (State), Insurance Department, op. cit., Pts. II and III, 1936; industrial life, accident, and sickness insurance is estimated on the basis of payments in 1936 from 31 companies; Fraternal Monitor, *Consolidated Chart, 1936*, for fraternal societies; employees' mutual sick-benefit associations are estimated; American Federation of Labor, *Report of the Executive Council, 1936*, for trade-unions.

A better idea of the extent of insurance is to be gained from the amount of disbursements for benefits. The amount of cash benefits from all forms of voluntary sickness insurance is shown in table 1. These figures are taken from all available sources, but it is realized that complete accuracy is difficult. They show that about \$202 million was paid out in cash benefits in 1935. On the basis of these data, it seems evident that cash benefits under voluntary insurance¹⁴ represent in a year not more than 5 percent of the aggregate amount of the Nation's annual medical bill of more than \$3 billion plus the annual wage loss of

¹³ Two unions include sick-benefit dues in general union dues.

¹⁴ For a discussion of the items included and not included under this heading see pp. 27-28.

upwards of \$1 billion. The latter figure includes only the wage loss of persons who are ordinarily gainfully occupied and makes no allowance for the permanently disabled who have dropped out of the labor market.

In spite of their greater need of protection and their larger numbers, wage earners receive disability benefits amounting, in a year, to only about 40 percent of the sum paid to persons in better circumstances. Payments under the types of insurance generally held by wage earners aggregated less than \$58 million; those made under policies generally purchased by persons of moderate or comfortable income amounted to about \$144 million. It is apparent that, in proportion to their numbers, persons of the higher income levels make greater use of voluntary sickness insurance than members of the industrial population.

The number of wage earners insured to some extent against temporary and permanent disability by the various forms of cash-benefit sickness insurance may be estimated approximately as follows:

Type of insurance	Wage earners (in millions)
Temporary sickness:	
Employee mutual benefit associations.....	1.2
Group accident and health.....	2.2
Industrial life, accident, and sickness.....	3.0
Permanent disability:	
Group life (policies issued prior to 1932).....	4.5
Group accidental death and dismemberment..	.7
Industrial life (dismemberment and blindness)..	15.5
Either temporary or permanent disability:	
Fraternal societies.....	.5
Trade-unions.....	1.2

There is considerable overlapping in these numbers, since, for example, the same wage earners insured under older group life certificates with permanent disability benefits may also be covered for temporary disability by group accident and health insurance. Likewise, members of employees' and trade-union sick-benefit associations may be covered by group insurance too, and undoubtedly many of them carry industrial life insurance policies.

These figures, it should be noted, represent estimates for persons insured under types of insurance commonly carried by wage earners, and do not include estimates for persons protected against disability under ordinary life policies. As

has been mentioned, disability benefits in connection with ordinary life policies written in recent years have commonly taken the form of premium waiver only, though a considerable amount of insurance written earlier and held largely by persons in moderate or comfortable circumstances provides income payments for life in the event of total and permanent disability.

Conclusion

Voluntary cash-benefit insurance is predominantly commercial; the benefit payments of commercial insurance amount to \$179 million, or over six times those of cooperative insurance. Commercial life and casualty insurance, which blazed the trail, have shaped disability insurance. Under the spur of competition between life and casualty insurance both lines have insured a particular risk in order to help the sale of more life or accident insurance. Consequently, their sickness policies are characterized by limitations and restrictions which grant benefits in the event of certain specific disabilities and deny them in others. Where commercial insurance has attempted more protection, as in noncancelable accident and health policies or in the income provision of the total and permanent disability clause, the companies have generally suffered loss and have stopped underwriting new policies.

With the exception of trade-union sick-benefit associations and a few employees' associations, which insure all who apply, cooperative sickness insurance has tended to follow the restrictions of commercial insurance. Cooperative systems have demonstrated their ability to operate successfully at low cost. The obvious defect of this insurance is that relatively few persons insure. More wage earners insure in commercial companies, which have higher administrative costs and in some cases seek a profit, than in cooperative insurance, which costs less. Such an anomaly appears to support the claim among insurance companies that insurance is sold, not bought, and that the pressure of salesmanship is needed to induce people to insure.

Voluntary disability insurance has had an undisputed field in the United States. Among wage earners who need the protection most, the number of persons so insured is comparatively small and the amount of benefit incommensurate with the risk to which they are exposed. This type of

insurance is far more common and adequate among persons in middle and high-income classes. Moreover, the experience of commercial and cooperative disability insurance suggests that insurance of the risk of sickness is not suited to voluntary methods. The number of persons who voluntarily insure against sickness is small; contrast with it the large number of persons who hold 121 million life insurance policies.

The insurance of small numbers furnishes a narrow distribution of insured risks and results in limited benefits. The protection afforded becomes

of necessity restricted and socially inadequate. In the case of commercial insurance, adverse selection operates against the company with the result that the cost of insurance is increased and fewer persons insure. Because of small numbers and poor risks the insured pay higher insurance premiums. Wage earners, with the highest incidence of sickness and the greatest need of protection, must pay rates for sickness insurance incommensurate with their income. The basic principles of social insurance, on the other hand, merge special risks as far as practicable in a general distribution.

UNEMPLOYMENT COMPENSATION

BUREAU OF UNEMPLOYMENT COMPENSATION
DIVISION OF RESEARCH • DIVISION OF STATISTICS AND ANALYSIS

REVIEW OF THE MONTH

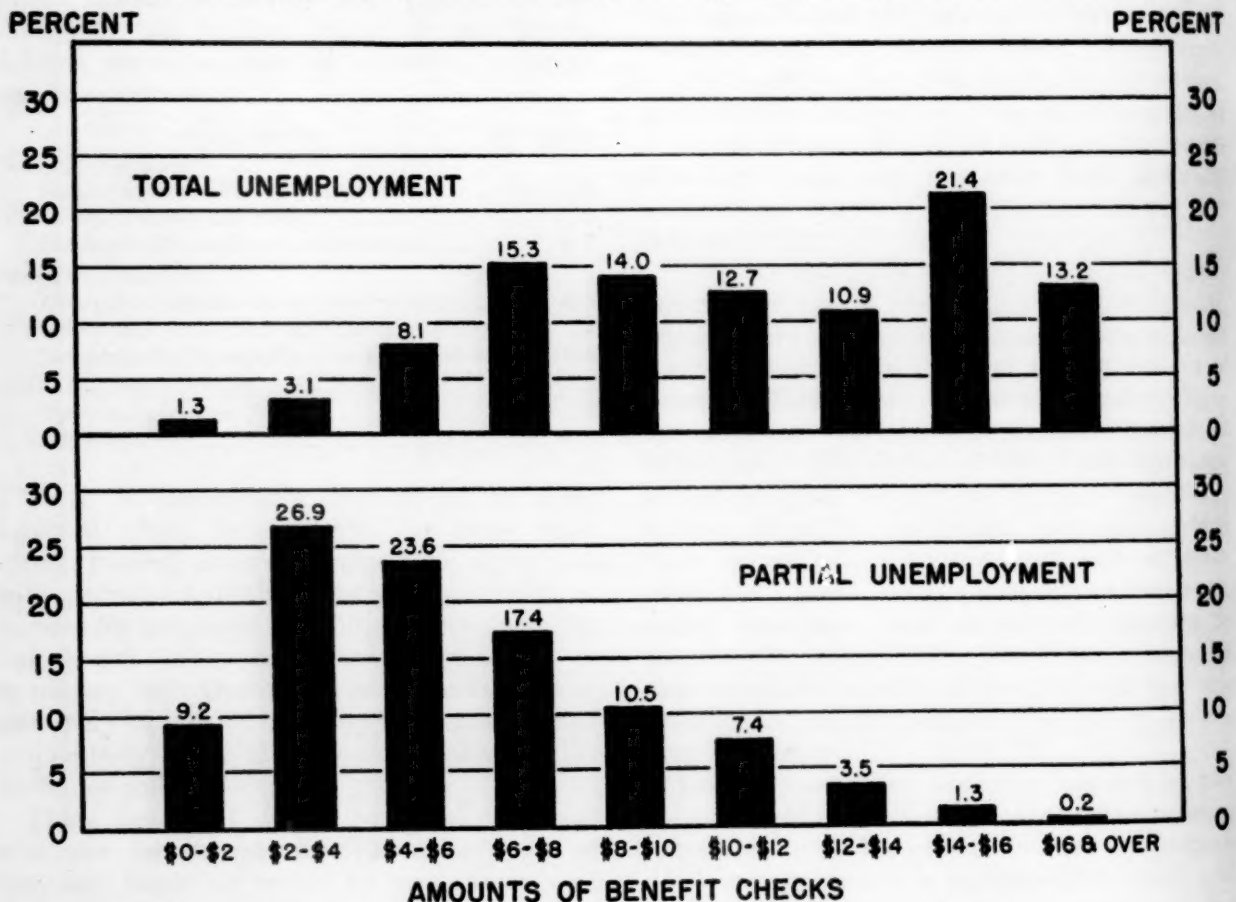
By the end of 1938, unemployment benefits were being paid in 31 States. In 21 States and the District of Columbia benefits had become payable in January; Wisconsin had started its program in July 1936. In the remaining eight States, benefits became payable at scattered intervals throughout the year; two States started operation of their programs in April, three in July, one in September, and two—New Mexico and Oklahoma—in December. In 16 States,

Alaska, and Hawaii benefits became payable in January 1939.

During the year, aggregate benefit payments in benefit-paying States totaled nearly \$394 million. More than 63 percent of the total was paid out by five States—California, Massachusetts, Michigan,¹ New York, and Pennsylvania. In December, payments for total and partial unemployment amounted to about \$26 million, a decline of about \$1.9 million from the previous month. This decline represented a drop

¹ Michigan paid benefits only after Aug. 1, 1938.

Chart I.—Unemployment compensation: Percentage distribution of number of benefit payments for total and partial unemployment, by amounts of benefit checks, for the period October–December 1938¹



¹The distribution of payments for total unemployment is based on data reported by 27 States, that for partial by 20 States.
Source: Data reported by State agencies.

of 7.0 percent for those States in which benefits were paid in both months. The reductions ranged from 0.7 percent in Maryland to 35.0 percent in Michigan. Decreases ranging from 10 to 20 percent were reported by Alabama, Indiana, New York, Pennsylvania, and Wisconsin. In-

creases, ranging from 3.2 percent in Connecticut to 114.0 percent in Idaho, were reported by 19 States. The increase reported for Idaho, where benefits were first payable in September, reflected the usual experience of States in the early stages of benefit-paying operations. Other States re-

Table 1.—Status of State unemployment compensation funds: Total funds available for benefit payments, contributions collected, interest credited, benefits charged, and ratios of benefits charged to contributions collected since benefits were first payable and to cumulative collections and interest, as of Dec. 31, 1938

[Data reported by State agencies,¹ corrected to Jan. 27, 1939]

[In thousands of dollars]

State	Month and year benefits first payable	Total funds available for benefits as of Dec. 31, 1938			Cumulative collections and interest credited as of Dec. 31, 1938			Benefits charged to State benefit-payment accounts			Ratio of benefits charged—		
		Amount ²	Percent-age change from Nov. 30, 1938	Index ³	Total collections and interest	Collections ⁴	Interest ⁵	January-December 1938 ⁶	November 1938	December 1938		To contributions collected since benefits first payable (percent)	To cumulative collections and interest (percent)
										Amount	Percent-age change from November		
Total		\$678,734	+40.2	117.5	\$1,074,665	\$1,052,848	\$21,817	\$393,668	\$27,853	\$26,009	-6.9	81.7	36.8
States on monthly contribution basis, total		295,544	+45.3	132.6	450,577	441,195	9,382	152,770	8,236	7,949	-4.3	69.4	34.4
District of Columbia	January 1938	10,783	+3.6	182.9	12,455	12,153	302	1,672	130	158	+21.5	26.3	13.4
Louisiana ⁷	do	12,804	+3.6	167.3	16,811	16,475	336	4,007	383	426	+11.2	44.9	23.8
Mississippi	April 1938	3,347	+1.9	114.8	4,761	4,661	100	1,414	151	160	+6.0	78.9	29.7
New Hampshire	January 1938	4,350	+1.7	102.4	7,082	6,936	146	2,732	120	172	+43.3	99.5	38.6
New York	do	138,960	+6.6	141.3	226,291	221,999	4,292	87,331	4,503	3,871	-14.0	69.7	38.6
North Carolina	do	11,195	+4.9	118.9	19,411	19,070	341	8,216	362	411	+13.5	84.0	42.3
Oklahoma	December 1938	13,202	+4.4	104.4	13,278	12,954	319	71 ⁽⁹⁾	71 ⁽⁹⁾			12.8	.5
Oregon	January 1938	6,080	+3.0	103.8	11,996	11,775	221	5,916	306	378	+23.5	98.4	40.3
Rhode Island ⁹	do	6,960	+8.1	87.7	16,253	15,993	260	9,293	307	262	-14.7	113.8	57.2
South Carolina	July 1938	7,862	+3.4	125.5	8,457	8,251	206	595	131	137	+4.6	28.3	7.0
Texas	January 1938	32,783	+4.5	166.0	42,127	41,236	891	9,344	850	1,015	+19.4	43.0	22.2
Vermont	do	2,041	+5.2	144.5	2,863	2,810	53	822	36	43	+19.4	58.1	28.7
West Virginia	do	7,217	+6.8	70.8	19,282	19,020	262	12,065	364	331	-9.1	135.1	62.6
Wisconsin	July 1936	37,960	+3.0	125.4	40,515	47,862	1,653	9,292	593	514	-13.3	57.1	23.3
States on quarterly contribution basis, total		383,190	+3.3	108.0	624,088	611,653	12,435	240,898	19,617	18,060	-8.0	92.1	38.6
Alabama ¹⁰	January 1938	7,402	-4.8	83.8	15,530	15,237	293	8,128	517	445	-13.9	124.9	62.3
Arizona	do	1,037	-5.0	96.2	3,839	3,774	65	1,902	133	131	-1.5	106.7	49.5
California ¹¹	do	107,637	-1.7	160.2	131,352	128,494	2,858	23,715	1,976	2,873	+45.4	38.2	18.1
Connecticut	do	16,266	-1.8	106.3	28,520	27,996	524	12,254	439	449	+2.3	95.1	43.0
Idaho	September 1938	3,211	-5.3	106.8	3,577	3,491	86	366	100	213	+113.0	68.5	10.2
Indiana	April 1938	22,856	-4.0	84.4	39,165	38,181	984	16,309	1,936	1,563	-19.3	140.5	41.6
Iowa	July 1938	11,446	-2.7	114.9	14,032	13,734	298	2,586	446	563	+26.2	65.7	18.4
Maine	January 1938	2,456	-13.5	65.3	6,992	6,881	111	4,836	301	417	+38.5	143.3	64.9
Maryland	do	9,270	-4.8	102.4	19,414	19,117	297	10,144	568	563	-0.9	99.9	52.3
Massachusetts ¹²	do	51,730	-2.5	123.8	78,829	77,190	1,639	27,099	1,685	1,787	+6.1	75.4	34.4
Michigan	July 1938	37,723	-9.0	59.6	77,626	76,032	1,594	30,903	6,407	4,162	-35.0	290.3	51.4
Minnesota	January 1938	16,128	-7.7	135.3	24,289	23,868	421	8,161	416	512	+23.1	67.6	33.6
New Mexico	December 1938	2,472	-4.5	100.5	2,481	2,422	59	9 ⁽⁹⁾	9 ⁽⁹⁾			112.5	.4
Pennsylvania	January 1938	70,585	-3.3	100.1	142,130	139,594	2,536	71,545	4,004	3,585	-10.5	102.3	50.3
Tennessee	do	8,577	-2.7	110.3	14,721	14,455	266	6,144	297	345	+16.2	90.8	41.7
Utah	do	2,241	-3.3	87.5	4,702	4,621	81	2,461	82	99	+20.7	117.6	62.3
Virginia	do	11,253	-2.2	134.5	16,889	16,566	323	5,636	310	344	+11.0	68.0	33.4

¹ All data reported by State agencies except "interest." Interest earned on funds in State accounts in the unemployment trust fund is credited and reported by the U. S. Treasury in the last month of each quarter.

² Represents sum of balances at end of month in State clearing account, benefit-payment account, and unemployment trust fund account maintained in the U. S. Treasury.

³ For all States except Wisconsin the index is based upon the funds available for benefits as of the end of the month prior to that in which benefits were first payable; the Wisconsin index is based upon the funds available as of Dec. 31, 1937.

⁴ Includes contributions plus penalties and interest collected from employers since contributions were first payable. Figures are adjusted for refunds of contributions and for dishonored contribution checks. Employer contributions of 2.7 percent are collected in all States except the District of Columbia, Michigan, and New York. In these States the rate of employer contributions is 3 percent.

⁵ Adjusted for voided benefit checks.

⁶ Percentage change computed on basis of 29 States paying benefits in November and December.

⁷ Does not include benefits approximating \$2,363,000 paid by Wisconsin from July 1936 through December 1937. This amount, however, is included in computation of the ratio shown in the last column.

⁸ Employee contributions of 1 percent are collected in Alabama and California; of 0.5 percent in Louisiana; and of 1.5 percent in Rhode Island. Massachusetts has suspended employee contributions on wages earned during the pay-roll months of July 1938 through June 1939.

⁹ Benefits were first payable in December.

¹⁰ Wisconsin contributions and benefit payments are cumulated since Jan. 1, 1938, instead of July 1936, when benefits were first payable.

porting increases of 20 percent or more were California, District of Columbia, Maine, Minnesota, New Hampshire, Oregon, and Utah; increases between 10 and 20 percent occurred in Iowa,

Table 2.—Unemployment compensation: Contributions deposited in State clearing account,¹ by States, January–December 1938 and December 1938

State	Contributions deposited in State clearing account ²	
	January–December ³	December
Total.....	\$778,391,082	\$27,001,556
States on a monthly contribution basis, total.....	249,197,325	22,710,422
District of Columbia.....	6,362,353	467,000
Georgia.....	8,317,477	676,466
Hawaii ⁴	1,807,709	97,916
Louisiana.....	8,916,760	798,764
Mississippi.....	2,344,775	202,781
New Hampshire.....	2,746,439	224,916
New York.....	125,238,151	11,694,153
North Carolina.....	9,780,731	883,820
North Dakota.....	1,032,853	87,200
Oklahoma.....	6,595,300	557,220
Oregon.....	6,014,466	519,063
Rhode Island.....	8,167,898	748,637
South Carolina.....	4,034,492	348,840
Texas.....	21,741,327	2,231,122
Vermont.....	1,415,301	134,624
Washington.....	9,484,121	876,456
West Virginia.....	8,927,832	755,123
Wisconsin.....	16,299,331	1,406,312
States on a quarterly contribution basis, total.....	529,193,757	4,291,134
Alabama.....	6,506,899	27,531
Alaska.....	524,741	5,967
Arizona.....	1,783,392	16,389
Arkansas.....	2,636,156	25,062
California.....	62,162,053	349,935
Colorado.....	4,064,563	35,122
Connecticut.....	12,883,295	57,008
Delaware.....	2,099,643	13,960
Florida.....	5,152,361	46,652
Idaho.....	1,641,216	13,891
Illinois.....	⁵ 95,377,783	285,724
Indiana ⁶	15,987,846	478,087
Iowa.....	6,632,179	188,517
Kansas.....	4,742,014	29,321
Kentucky.....	9,009,447	116,216
Maine.....	3,165,935	19,121
Maryland.....	10,154,224	44,460
Massachusetts.....	35,951,448	189,391
Michigan.....	32,904,180	198,110
Minnesota.....	12,067,062	308,419
Missouri ⁷	⁸ 27,130,251	78,664
Montana.....	2,200,170	6,927
Nebraska.....	3,702,105	12,303
Nevada.....	752,790	8,573
New Jersey ⁹	35,524,455	506,751
New Mexico.....	1,148,887	8,180
Ohio.....	44,128,774	317,183
Pennsylvania.....	69,957,599	788,547
South Dakota.....	921,326	4,074
Tennessee.....	6,768,840	59,277
Utah.....	2,092,853	8,973
Virginia.....	8,294,100	32,252
Wyoming.....	1,125,170	10,547

¹ Data reported by State agencies, corrected to Jan. 28, 1939.

² Includes contributions plus penalties and interest collected from employers.

³ Adjusted for refunds of contributions and for dishonored contribution checks.

⁴ Some employers pay their contributions on a quarterly basis.

⁵ Includes collections on pay rolls for entire year 1937.

⁶ Some employers pay their contributions on a monthly basis.

Louisiana, North Carolina, Tennessee, Texas, Vermont, and Virginia.

While the aggregate amount of payments declined in December, the number of initial claims filed increased 6.4 percent; December was the third successive month in which an expansion in the volume of initial claims was registered. Increases were reported for 20 States, ranging from 1.9 percent in California to 70.5 percent in Indiana. Increases of more than 20 percent were reported by Arizona, Connecticut, Idaho, Iowa, Maine, Michigan, Rhode Island, Utah, and Vermont, as well as by Indiana. Decreases in initial claims were reported by nine States; three of them—

Table 3.—Comparison of funds available for benefit payments as of Dec. 31, 1937, and Dec. 31, 1938

State	Funds available for benefits as of Dec. 31, 1937	Funds available for benefits as of Dec. 31, 1938
Total.....	\$664,028,520	\$1,110,625,674
Alabama.....	8,838,347	7,402,005
Alaska.....	237,870	884,007
Arizona.....	2,013,866	1,937,097
Arkansas.....	1,890,277	5,309,341
California.....	67,172,761	107,635,982
Colorado.....	4,716,886	8,944,313
Connecticut.....	15,304,439	16,266,322
Delaware.....	1,076,830	3,915,184
District of Columbia.....	5,893,882	10,782,150
Florida.....	2,968,598	9,870,515
Georgia.....	4,481,200	15,501,562
Hawaii.....	943,715	3,249,383
Idaho.....	1,873,068	3,211,246
Illinois.....	17,580	117,940,422
Indiana.....	22,557,996	22,855,779
Iowa.....	7,169,163	11,445,979
Kansas.....	3,586,848	10,180,745
Kentucky.....	9,500,196	18,936,337
Louisiana.....	7,651,654	12,804,892
Maine.....	3,758,947	2,458,727
Maryland.....	9,057,378	9,269,231
Massachusetts.....	41,775,281	51,730,183
Michigan.....	43,488,083	37,723,184
Minnesota.....	11,923,981	16,127,406
Mississippi.....	2,349,507	3,347,137
Missouri.....	0	24,035,738
Montana.....	1,847,882	4,772,310
Nebraska.....	1,941,140	7,081,592
Nevada.....	573,366	1,528,287
New Hampshire.....	4,247,390	4,350,161
New Jersey.....	30,049,053	66,690,680
New Mexico.....	1,288,969	2,472,068
New York.....	98,362,705	138,959,287
North Carolina.....	9,412,835	11,195,273
North Dakota.....	597,733	1,897,298
Ohio.....	51,974,259	97,884,134
Oklahoma.....	6,441,878	13,202,196
Oregon.....	5,855,276	6,079,756
Pennsylvania.....	70,539,643	70,585,021
Rhode Island.....	7,939,285	6,960,286
South Carolina.....	4,275,638	7,662,700
South Dakota.....	1,020,325	1,977,967
Tennessee.....	7,775,931	8,577,009
Texas.....	19,752,701	32,782,511
Utah.....	2,560,109	2,240,445
Vermont.....	1,412,106	2,041,927
Virginia.....	8,367,459	11,253,883
Washington.....	6,192,220	18,890,972
West Virginia.....	10,199,770	7,216,963
Wisconsin.....	30,166,806	37,959,530
Wyoming.....	895,638	2,401,299

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Alabama, Louisiana, and Mississippi—reported decreases of more than 10 percent.

Contributions deposited by the State agencies in their clearing accounts in December amounted to about \$27 million, as compared with deposits of nearly \$98.5 million in November. The decline was attributable entirely to the small volume of deposits by the 33 quarterly collecting States. Deposits by the group of monthly collecting States were 8.7 percent higher than deposits in November. During the year 1938, the State agencies deposited more than \$778 million. This amount

included contributions collected in Illinois and Missouri on pay rolls of the entire year 1937, as well as those pay rolls of 1938 taxable during the 12-month period. It should be noted that no contributions were received on pay rolls of the fourth quarter of 1938 by the 33 States on a quarterly collection basis.

Contributions collected in all benefit-paying States slightly exceeded the amount of benefits charged in December, notwithstanding the decrease which occurred in the volume of contributions deposited by the benefit-paying States on a

Table 4.—Unemployment compensation: Claims for benefits, by States, November and December 1938

[Data reported by State agencies, corrected to Jan. 31, 1939]

State	Number of initial claims filed ¹						Number of continued claims filed ¹					
	All claims		Total unemploy- ment ²		Partial unemploy- ment ³		All claims		Total unemploy- ment ²		Partial unemploy- ment ³	
	Novem- ber	Decem- ber	Novem- ber	Decem- ber	Novem- ber	Decem- ber	November	December	Novem- ber	Decem- ber	Novem- ber	Decem- ber
Total for States re- porting	539,771	601,245					3,136,448	3,167,679				
Alabama	8,444	6,630	7,364	5,594	1,080	1,036	76,642	65,282	59,892	52,866	16,750	12,416
Arizona	1,383	1,783	1,383	1,783	0	0	14,784	14,322	14,784	14,322	0	0
California	56,018	57,066	55,110	56,066	908	1,060	340,289	394,375	338,878	390,830	1,411	3,545
Connecticut	12,093	14,702	(⁴)	(⁴)	(⁴)	(⁴)	65,996	67,870	50,226	52,748	15,770	15,122
District of Columbia	2,081	2,136	2,057	2,120	24	16	29,029	30,536	23,364	24,368	5,665	6,168
Idaho	4,224	6,663	4,200	6,659	24	4	19,906	37,565	19,803	37,414	193	151
Indiana	11,301	19,270	9,836	17,882	1,465	1,408	224,373	205,101	179,191	161,280	45,182	43,821
Iowa	12,229	20,181	11,623	19,201	606	960	74,239	105,319	60,772	100,719	4,467	4,600
Louisiana	9,516	8,295	(⁴)	(⁴)	(⁴)	(⁴)	61,347	63,880	49,333	54,010	12,014	9,879
Maine	7,769	9,497	6,708	7,728	1,061	1,769	48,997	67,384	26,005	41,766	22,992	25,618
Maryland	5,521	5,241	4,804	4,740	717	501	105,083	102,723	75,484	76,892	29,599	25,831
Massachusetts	34,864	33,728	34,864	33,728	(⁴)	(⁴)	196,583	196,564	196,583	196,564	(⁴)	(⁴)
Michigan	34,503	47,737	34,503	47,737	(⁴)	(⁴)	528,848	323,799	528,848	323,799	(⁴)	(⁴)
Minnesota	10,043	10,857	10,043	10,857	0	0	65,957	104,298	65,957	104,298	0	0
Mississippi	8,296	6,668	8,296	6,668	(⁴)	(⁴)	49,672	49,595	46,672	49,595	(⁴)	(⁴)
New Hampshire	7,571	7,855	4,617	6,457	2,954	1,398	36,258	33,336	20,707	20,643	15,551	12,693
New Mexico	(⁴)	4,394	(⁴)	4,335	(⁴)	59	(⁴)	1,017	(⁴)	973	(⁴)	44
New York	172,902	165,155	172,902	165,155	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)	(⁴)
North Carolina	19,118	20,073	16,255	16,069	2,853	4,004	118,350	120,466	87,319	96,913	31,031	23,553
Oklahoma	(⁴)	22,325	(⁴)	21,937	(⁴)	388	(⁴)	21,953	(⁴)	21,944	(⁴)	9
Oregon	11,319	10,923	(⁴)	(⁴)	(⁴)	(⁴)	56,360	99,198	(⁴)	(⁴)	(⁴)	(⁴)
Pennsylvania	24,036	28,436	24,036	28,436	(⁴)	(⁴)	429,368	445,045	429,368	445,045	(⁴)	(⁴)
Rhode Island	7,999	9,936	6,831	8,384	1,168	1,552	62,512	64,986	40,787	42,904	21,725	21,992
South Carolina	4,356	4,525	3,507	3,564	849	961	35,844	45,745	22,806	26,550	13,038	19,195
Tennessee	10,426	10,309	9,594	9,570	832	739	103,322	102,212	85,026	85,253	18,296	16,969
Texas	28,507	27,097	26,965	25,481	1,542	1,616	165,290	180,123	(⁴)	(⁴)	(⁴)	(⁴)
Utah	3,055	4,119	3,026	4,097	29	22	12,021	15,474	11,502	14,890	519	584
Vermont	1,229	2,083	1,030	1,860	199	203	6,549	8,286	5,038	6,541	1,511	1,745
Virginia	7,148	7,345	6,655	6,605	493	650	54,338	59,080	45,083	52,219	9,255	6,870
West Virginia	2,864	3,236	2,619	2,817	245	419	74,460	64,554	52,478	49,675	21,982	14,879
Wisconsin	20,956	22,980	15,347	19,668	5,609	3,312	82,941	77,573	70,084	71,100	12,857	6,473

¹ For reporting purposes, an initial claim is defined as a notice of unemployment filed by a worker for each period of unemployment; a continued claim is defined as a claim reported weekly, following the filing of an initial claim. Some State procedures differ from these definitions in certain respects. A few States require only 1 initial claim from an unemployed worker in a benefit year, and the worker files continued claims for subsequent weeks of unemployment during that year. In some States initial claims are filed in connection with requests for additional benefits against lag-quarter credits, whereas in others continued claims are accepted in such circumstances.

² Total and partial unemployment are used as defined in the State laws or by the State unemployment compensation agencies. In States where partial unemployment is compensable, periods of reduced earnings resulting from a reduction in working time with the usual employer are classified as "partial" unemployment. There are, however, some differences among the States in the classification of payments for "part-total" unemployment. Part-total unemployment arises chiefly in cases where the worker is completely separated from employment with his regular employer but has earned wages from another source, i. e., odd-job and subsidiary earnings which are deductible from the weekly benefit amount for total unemployment. Therefore, though totally unemployed with respect to his regular employment, the

worker receives a check for less than his weekly benefit amount. Most States classify claims and payments for part-total unemployment as "partial." Certain States, however, classify under "total" unemployment both initial and continued claims and payments for part-total unemployment. These States are: Arizona, California, Idaho, Minnesota, Oklahoma, Tennessee, Utah, Vermont, and Virginia. Alabama, Indiana, North Carolina, and Oregon classify only initial claims showing odd-job and subsidiary earnings (part-total unemployment) as claims for total unemployment. Wisconsin, however, classifies both initial and continued claims for "part-total" unemployment under "total," but payments for "part-total" unemployment under "partial."

³ Break-down of claims by type of unemployment is not available.

⁴ Massachusetts, Mississippi, New York, and Pennsylvania have no provisions in State laws for payment of benefits for partial unemployment. Michigan provision for these payments becomes effective in January 1939.

⁵ In Michigan only 1 continued claim is filed during the 3-week waiting period. The usual procedure is to file a continued claim at the end of each week of the waiting period.

⁶ Benefits first payable in December.

⁷ Data not reported.

quarterly collection basis, with the result that there was an increase of 0.2 percent in the funds available for benefits. As of the end of the year, the index of funds available for benefits stood at 117.5, indicating that the aggregate reserves of all the States that had paid benefits for all or part of the year 1938 had increased 17.5 percent as compared with reserves available at the end of the month prior to that in which benefits were first payable. The bulk of this increase was accounted

for by California, Louisiana, Massachusetts, Minnesota, New York, Texas, Wisconsin, and the District of Columbia. On the other hand, two States on a monthly collection basis—Rhode Island and West Virginia—and six States on a quarterly collection basis—Alabama, Arizona, Indiana, Maine, Michigan, and Utah—ended the year with less funds on hand than were available at the end of the month prior to that in which benefits became payable.

Table 5.—Unemployment compensation: Number and amount of benefit payments, by States, November and December 1938

[Data reported by State agencies, corrected to Jan. 31, 1939]

State	Number of benefit payments issued ¹						Amount of benefit payments					
	All payments		Total unemployment ²		Partial unemployment ³		All payments		Total unemployment ²		Partial unemployment ³	
	November	December	November	December	November	December	November	December	November	December	November	December
Total for States reporting.....	2, 663, 426	2, 554, 416					\$27, 901, 402	\$26, 020, 227				
Alabama.....	73, 966	67, 887	53, 681	48, 871	20, 285	19, 016	517, 633	445, 103	\$406, 277	\$345, 579	\$111, 356	\$99, 524
Arizona.....	11, 734	11, 448	11, 734	11, 448	0	0	133, 431	130, 567	133, 431	130, 567	0	0
California.....	204, 692	303, 740	201, 620	298, 121	1, 523	4, 267	1, 975, 932	2, 873, 345	1, 956, 916	2, 842, 664	7, 478	20, 205
Connecticut.....	44, 282	46, 181	37, 796	39, 022	6, 486	7, 159	443, 889	458, 191	404, 808	413, 999	35, 839	42, 239
District of Columbia.....	15, 806	18, 680	14, 516	17, 264	1, 290	1, 416	129, 703	157, 555	122, 370	149, 193	7, 333	8, 872
Idaho.....	9, 500	19, 500	9, 484	19, 480	16	20	90, 608	213, 156	99, 510	213, 042	98	114
Indiana.....	183, 919	154, 187	151, 100	124, 725	32, 819	29, 462	1, 934, 215	1, 561, 448	1, 731, 662	1, 384, 392	202, 553	177, 098
Iowa.....	51, 154	60, 543	47, 823	57, 007	3, 331	3, 536	465, 840	532, 774	445, 547	509, 917	20, 298	22, 887
Louisiana.....	43, 785	50, 023	36, 069	42, 555	7, 592	7, 684	382, 522	425, 926	327, 682	372, 834	54, 393	52, 800
Maine.....	37, 234	55, 969	25, 689	35, 058	11, 545	20, 911	294, 766	423, 839	231, 591	304, 055	63, 175	116, 794
Maryland.....	63, 200	62, 899	42, 837	43, 412	10, 779	9, 722	567, 622	563, 481	424, 076	425, 566	64, 643	57, 418
Massachusetts.....	159, 394	170, 480	159, 394	170, 480	(?)	(?)	1, 684, 693	1, 786, 849	1, 684, 693	1, 786, 849	(?)	(?)
Michigan.....	485, 795	316, 631	485, 795	316, 631	(?)	(?)	6, 404, 694	4, 160, 519	6, 404, 694	4, 160, 519	(?)	(?)
Minnesota.....	39, 388	49, 586	36, 765	42, 096	2, 623	7, 490	415, 283	510, 794	400, 356	450, 410	14, 927	60, 264
Mississippi.....	26, 845	30, 002	26, 845	30, 002	(?)	(?)	150, 758	159, 754	150, 758	159, 754	(?)	(?)
New Hampshire.....	15, 434	21, 910	10, 382	14, 849	5, 052	7, 061	120, 063	172, 352	93, 619	135, 003	26, 444	37, 349
New Mexico.....	(?)	1, 017	(?)	973	(?)	44	(?)	9, 210	(?)	8, 969	(?)	341
New York.....	389, 648	303, 556	389, 648	303, 556	(?)	(?)	4, 502, 669	3, 871, 251	4, 502, 669	3, 871, 251	(?)	(?)
North Carolina.....	63, 136	60, 093	(?)	(?)	(?)	(?)	361, 226	397, 840	(?)	(?)	(?)	(?)
Oklahoma.....	(?)	6, 739	(?)	6, 737	(?)	2	(?)	71, 231	(?)	71, 213	(?)	18
Oregon.....	29, 092	35, 243	24, 741	30, 167	4, 351	5, 076	305, 120	377, 930	277, 575	346, 371	27, 545	31, 559
Pennsylvania.....	367, 401	329, 163	367, 401	329, 163	(?)	(?)	4, 003, 685	3, 584, 677	4, 003, 685	3, 584, 677	(?)	(?)
Rhode Island.....	34, 150	31, 905	26, 437	24, 607	7, 713	7, 298	307, 092	277, 349	269, 575	245, 362	37, 517	31, 967
South Carolina.....	24, 647	26, 450	12, 957	14, 794	11, 690	11, 656	131, 214	137, 187	84, 888	90, 231	46, 326	49, 096
Tennessee.....	44, 401	52, 840	41, 025	49, 531	3, 376	3, 309	297, 004	345, 388	283, 441	330, 631	13, 563	14, 757
Texas.....	94, 356	114, 104	86, 499	104, 541	7, 857	9, 563	881, 558	1, 026, 538	832, 796	968, 563	48, 762	57, 975
Utah.....	8, 104	9, 946	7, 851	9, 611	253	335	82, 166	98, 780	80, 361	96, 540	1, 805	2, 240
Vermont.....	4, 424	4, 996	3, 253	3, 835	1, 171	1, 161	36, 292	42, 957	30, 633	37, 276	5, 659	5, 681
Virginia.....	41, 392	46, 267	34, 574	41, 698	6, 818	4, 569	310, 362	343, 873	278, 344	321, 485	32, 018	22, 338
West Virginia.....	38, 944	35, 572	28, 438	25, 881	10, 506	9, 691	363, 959	330, 939	309, 001	280, 165	54, 958	50, 774
Wisconsin.....	57, 903	56, 859	44, 670	42, 781	12, 933	14, 078	598, 403	529, 414	529, 869	458, 222	68, 534	71, 192

¹ A benefit payment is ordinarily issued for each week of compensable unemployment. In a few States, however, in order to expedite back payments of benefits to workers, checks covering payments for several compensable weeks are issued.

² Total and partial unemployment are used as defined in the State laws or by the State unemployment compensation agencies. In States where partial unemployment is compensable, periods of reduced earnings resulting from a reduction in working time with the usual employer are classified as "partial" unemployment. There are, however, some differences among the States in the classification of payments for "part-total" unemployment. Part-total unemployment arises chiefly in cases where the worker is completely separated from employment with his regular employer but has earned wages from another source, i. e., odd-job and subsidiary earnings which are deductible from the weekly benefit amount for total unemployment. Therefore, though totally unemployed with respect to his regular employment, the worker receives a check for less than his weekly benefit amount. Most States classify claims and payments for part-total unemployment as "partial." Certain States, however, classify under "total" unemployment both initial and continued claims and payments for part-total unemployment. These States are: Arizona, California, Idaho, Minnesota, Oklahoma, Tennessee, Utah, Vermont, and Virginia. Alabama, Indiana, North Carolina, and Oregon classify only initial claims showing odd-job and subsidiary

earnings (part-total unemployment) as claims for total unemployment. Wisconsin, however, classifies both initial and continued claims for "part-total" unemployment under "total," but payments for "part-total" unemployment under "partial."

³ Includes 1,549 checks amounting to \$11,538 in November and 1,332 checks amounting to \$10,476 in December paid as adjustments, not shown in break-down by type of unemployment.

⁴ Includes \$3,242 in November and \$1,942 in December paid as adjustments, not shown in break-down by type of unemployment.

⁵ Includes 124 checks amounting to \$447 in November and 84 checks amounting to \$292 in December, not shown in break-down by type of unemployment.

⁶ Includes 9,584 payments amounting to \$78,904 in November and 9,765 payments amounting to \$80,499 in December, not shown in break-down by type of unemployment. These payments include checks for residual and adjustment payments.

⁷ Massachusetts, Mississippi, New York, and Pennsylvania have no provisions in State laws for benefit payments for partial unemployment. Michigan provision for these payments becomes effective in January 1939.

⁸ Benefits first payable in December.

⁹ Break-down by type of unemployment is not available.

It should be noted that in the first month in which claims were accepted payments were made in extremely small amounts because of the provisions of State laws. If there had been full pay-

ments in the first month of benefit payments, the ratios would be somewhat modified. It should be noted further that in the quarterly collecting States the ratios are affected considerably by the

Table 6.—Unemployment compensation: Percentage distribution of number of benefit payments for total and partial unemployment, by amounts of benefit checks and by States, for the period October–December 1938¹

[Data reported by State agencies,² corrected to Feb. 3, 1939]

State	Amounts of benefit checks										Average amount of benefit checks
	Total	Less than \$2.00	\$2.00 to \$3.99	\$4.00 to \$5.99	\$6.00 to \$7.99	\$8.00 to \$9.99	\$10.00 to \$11.99	\$12.00 to \$13.99	\$14.00 to \$15.99	\$16.00 and over	
Percentage distribution of number of benefit payments for total unemployment ³											
Total, States reporting.....	100.0	1.3	3.1	8.1	15.3	14.0	12.7	10.9	21.4	13.2	\$10.85
Alabama.....	100.0	3.0	12.2	19.2	23.1	15.8	9.7	5.8	11.2	(⁴)	7.70
Arizona.....	100.0	.3	1.9	4.2	12.1	11.8	15.9	13.9	39.9		11.20
California.....	100.0	2.4	4.2	4.6	27.7	16.6	13.8	10.3	20.4		9.66
Connecticut.....	100.0	1.9	2.4	2.8	19.7	17.6	14.8	11.7	29.1		10.75
District of Columbia.....	100.0	1.3	6.7	21.9	21.2	14.3	9.9	7.0	17.6	.1	8.80
Idaho.....	100.0	1.6	3.4	12.2	10.8	11.5	12.6	12.9	34.7	.3	10.74
Indiana.....	100.0	1.4	1.5	3.5	8.9	13.3	14.7	14.8	41.9		11.57
Iowa.....	100.0	3.0	4.7	18.0	15.9	15.7	14.1	10.0	18.6		9.19
Louisiana.....	100.0	1.0	1.7	28.5	20.6	14.0	9.4	7.0	5.3	12.5	8.93
Maine.....	100.0	.8	2.8	15.4	23.2	23.4	14.6	8.0	11.8		8.98
Maryland.....	100.0		(⁴)	15.8	18.2	16.8	14.2	10.1	24.9		10.00
Massachusetts.....	100.0	.1	.2	6.4	14.8	21.4	10.7	11.5	28.7	.2	10.60
Michigan.....	100.0	.4	.6	.8	7.3	9.4	11.3	12.6	13.6	44.0	13.28
Minnesota.....	100.0	.5	1.8	3.5	23.2	14.9	13.6	12.6	29.9		10.90
Mississippi.....	100.0	11.0	26.4	28.0	15.8	7.1	3.9	2.3	5.5		5.56
New Hampshire.....	100.0	.9	1.9	12.1	29.2	23.7	16.8	10.1	14.3		9.11
New Mexico ⁴	100.0		4.6	18.6	20.7	16.9	12.7	9.8	16.7		9.22
Oklahoma.....	100.0	1.7	3.4	4.8	6.2	30.1	12.4	11.8	29.6		10.57
Oregon.....	100.0	1.5	2.5	3.5	15.0	12.0	12.6	15.9	37.0		11.33
Rhode Island.....	100.0	1.4	2.6	3.8	25.9	20.6	12.9	8.4	24.4		10.20
South Carolina.....	100.0	.3	3.8	46.3	28.4	9.2	4.8	2.6	4.6		6.64
Tennessee.....	100.0	2.5	14.2	30.6	21.3	13.4	6.7	3.9	7.4	(⁴)	6.99
Texas.....	100.0	.9	2.0	23.0	17.1	13.3	10.1	7.6	26.0		9.55
Utah.....	100.0	1.5	3.3	5.1	22.2	15.8	12.5	12.0	27.6		10.39
Vermont.....	100.0	.5	1.6	9.1	24.7	20.9	11.0	9.1	17.1		9.45
Virginia.....	100.0	2.2	14.0	17.3	23.4	14.4	8.0	6.3	14.4		8.06
Wisconsin.....	100.0	.1	1.6	4.0	6.6	11.3	20.7	14.8	40.9		11.68
Percentage distribution of number of benefit payments for partial unemployment ³											
Total, States reporting.....	100.0	9.2	26.9	23.6	17.4	10.5	7.4	3.5	1.3	0.2	5.57
Alabama.....	100.0	15.5	29.4	23.0	14.2	8.8	4.5	2.5	2.0	.1	5.05
California.....	100.0	19.7	24.4	20.8	16.9	10.1	5.1	2.8	.2		4.97
Connecticut.....	100.0	.1	33.2	28.3	19.1	9.8	5.7	3.1	.7		5.69
District of Columbia.....	100.0	10.8	19.9	24.0	19.4	12.2	6.8	3.8	2.8	.3	5.81
Idaho.....	100.0		57.9	10.5	2.6		13.2		15.8		6.16
Indiana.....	100.0	6.8	19.1	20.4	18.0	15.4	12.4	6.6	1.3		6.23
Iowa.....	100.0	22.4	17.8	17.4	10.4	7.1	7.6	6.1	11.2		6.23
Louisiana.....	100.0	1.9	14.3	30.9	20.7	13.3	7.6	4.9	3.2	3.2	6.99
Maine.....	100.0	3.8	30.7	27.1	19.1	10.5	6.0	2.4	.4		5.57
Maryland.....	100.0	(⁴)	30.1	25.5	19.3	13.8	9.1	2.1	.1		5.98
Minnesota.....	100.0	2.4	10.2	28.3	32.1	9.8	9.7	6.1	1.4		6.86
New Hampshire.....	100.0	10.5	25.8	24.9	17.0	11.1	6.2	2.7	1.4	.4	5.14
New Mexico ⁴	100.0	15.9	27.3	15.9	15.9	9.1	11.4	4.5			5.48
Oregon.....	100.0	9.1	19.3	22.0	18.7	15.4	10.9	4.2	.4		6.23
Rhode Island.....	100.0	20.3	27.0	22.1	15.3	7.9	4.4	2.3	.6	.1	4.76
South Carolina.....	100.0	24.4	27.6	26.8	14.0	3.9	1.9	.9	.5		4.04
Tennessee.....	100.0	1.2	57.9	26.0	9.9	3.7	1.0	.3	(⁴)		4.10
Texas.....	100.0	.6	31.4	23.8	15.9	12.6	9.6	6.0	.1		6.13
Utah.....	100.0	10.7	16.2	19.2	21.5	10.3	6.4	4.6	11.1		6.96
Vermont.....	100.0	18.2	28.8	23.2	15.2	8.3	4.1	2.0	.2		4.80
Virginia.....	100.0	11.2	33.4	27.8	14.9	7.8	3.4	1.3	.2		4.80
Wisconsin.....	100.0	9.3	38.2	14.9	20.3	6.1	8.8	.8	1.6		5.24

¹ For explanation of data contained in this table, see *Social Security Bulletin*, Vol. 1, No. 9 (September 1938), pp. 26–27, and Vol. 1, No. 12 (December 1938), pp. 29–30. See also footnotes 1 and 2, table 5, opposite.

² The following States did not report distribution of payments by amounts of benefit checks: North Carolina, New York, Pennsylvania, and West Virginia. Massachusetts, Mississippi, New York, and Pennsylvania have no provisions in State laws for payment of benefits for partial unemployment. Michigan provision for payments for partial unemployment becomes effective in January 1939. Arizona paid no benefits for partial unemployment during this period.

³ For classifications by the States of payments for total and partial unemployment, see footnote 2, table 5.

⁴ Less than 0.1 percent.

⁵ Began paying benefits during December 1938. Only 2 payments for partial unemployment were made in Oklahoma in that month.

fact that contributions due for the fourth quarter of the year were not collectible until after the close of the year. In 12 of these 17 States, therefore, the ratios are based on payments made over an 11-month period and contributions received for a 10-month period.

Placements of applicants for jobs by the United States Employment Service totaled 230,268 during December. When adjustment is made for the number of working days in the month, this figure

represents a decline of 10.3 percent from the number of placements in November. Decreases occurred in placements in both private and public employment. For the year as a whole, placements totaled 2,701,349, a reduction of about 26 percent from the previous year.

State Activities

During January, California, North Carolina, and Oregon amended their unemployment compensa-

Table 7.—Operations of the United States Employment Service, by States, December 1938

State	Placements					New applications		Active file	
	Total	Private			Public	Number	Percentage change from November 1	As of Dec. 31, 1938	
		Number	Percentage change from November 1	Regular (over 1 month)	Temporary (1 month or less)				Number
Total.....	230,268	100,982	-12	64,541	96,441	69,286	477,030	-7	7,215,601
Alabama.....	4,833	3,261	-28	2,231	1,030	1,572	6,908	-25	150,469
Alaska.....	83	69	-19	16	53	14	367	-24	1,626
Arizona.....	3,085	2,512	+29	1,272	1,240	573	3,169	+20	22,654
Arkansas.....	2,178	1,002	-23	535	467	1,176	6,005	+19	73,388
California.....	19,537	13,736	-17	5,128	8,608	5,801	42,094	-3	319,732
Colorado.....	1,729	1,115	-35	465	650	614	3,940	-3	46,851
Connecticut.....	3,174	2,663	-18	1,252	1,411	511	5,215	-13	110,543
Delaware.....	1,001	780	-10	429	351	221	955	+28	14,134
District of Columbia.....	3,237	2,603	+1	928	1,675	634	3,707	-21	55,022
Florida.....	1,451	0	-----	0	0	1,451	3,400	-13	108,943
Georgia.....	5,128	2,190	-1	914	1,276	2,938	8,917	-18	132,972
Hawaii.....	230	107	-12	34	73	123	1,314	+177	6,056
Idaho.....	1,452	974	-49	368	606	478	2,886	-7	22,608
Illinois.....	11,719	11,053	-4	3,898	7,155	666	11,840	-7	305,259
Indiana.....	5,977	5,571	-3	2,736	2,835	406	16,979	-9	221,127
Iowa.....	6,427	3,809	-13	1,348	2,551	2,528	8,439	+10	100,962
Kansas.....	2,772	963	-27	364	599	1,809	5,723	+24	66,524
Kentucky.....	1,700	806	-10	316	490	894	6,218	+18	98,034
Louisiana.....	3,860	2,576	-10	1,682	894	1,284	8,315	-13	120,210
Maine.....	1,658	895	+6	673	222	763	2,756	-16	51,298
Maryland.....	3,286	2,036	(²)	865	1,171	1,250	7,178	-2	70,959
Massachusetts.....	2,934	2,031	-20	1,187	844	903	14,732	-19	324,368
Michigan.....	8,602	5,674	-10	3,697	1,977	2,928	26,202	+3	413,552
Minnesota.....	4,550	3,185	-19	1,539	1,646	1,365	10,057	+17	203,882
Mississippi.....	3,729	1,322	+39	680	642	2,407	8,636	-41	85,293
Missouri.....	3,443	2,429	+4	1,035	1,394	1,014	11,928	+33	187,691
Montana.....	1,392	596	-18	259	337	796	1,071	-36	33,180
Nebraska.....	1,852	807	-23	335	472	1,045	3,214	+3	42,216
Nevada.....	828	486	-20	216	270	342	616	+29	3,973
New Hampshire.....	1,855	1,542	-11	1,124	418	313	1,726	-19	35,052
New Jersey.....	2,873	2,723	-34	955	1,768	150	6,368	-31	234,126
New Mexico.....	2,087	1,578	-83	770	808	509	2,118	+19	37,226
New York.....	15,856	12,930	+3	4,359	8,571	2,926	66,919	-8	580,075
North Carolina.....	8,289	4,276	-4	2,045	2,231	4,013	13,186	-42	155,142
North Dakota.....	1,911	1,655	-22	378	1,277	256	1,346	-19	28,483
Ohio.....	7,603	5,658	-8	2,103	3,555	1,945	18,120	+10	448,436
Oklahoma.....	2,853	1,880	-17	439	1,441	973	15,306	+78	58,744
Oregon.....	2,711	1,316	-4	889	427	1,365	6,480	-17	85,827
Pennsylvania.....	7,967	5,958	+6	3,086	2,872	2,009	34,682	-2	1,027,812
Rhode Island.....	1,079	863	+13	486	377	216	3,115	(²)	69,135
South Carolina.....	2,559	877	(²)	526	351	1,682	4,171	-53	131,900
South Dakota.....	1,095	676	-36	224	452	419	1,193	-9	35,663
Tennessee.....	4,623	2,952	+28	1,610	1,342	1,671	6,865	-12	145,618
Texas.....	36,887	29,795	-1	5,941	23,854	7,092	29,234	-9	222,536
Utah.....	1,205	801	-33	133	668	404	2,395	+10	18,896
Vermont.....	918	610	-3	313	297	308	1,216	+27	16,657
Virginia.....	5,283	2,110	+5	1,229	881	3,173	8,777	-20	50,372
Washington.....	1,281	948	-34	358	590	333	5,849	+1	135,195
West Virginia.....	3,373	2,673	-1	1,469	1,204	700	5,271	-4	158,454
Wisconsin.....	5,314	3,444	-13	1,581	1,863	1,870	9,075	-20	137,509
Wyoming.....	799	346	-12	121	225	453	837	-20	9,305

¹ Adjusted for number of working days.

² The active file represents cases regarded by the employment office as actively seeking work. The files are cleared periodically by removal of cards of applicants who have not recently renewed their registrations. There is some variation from office to office and State to State in the frequency with

which this is done. There is also some variation from State to State in the extent to which applicants for work relief are included in the active file.

³ Less than 1 percent.

Source: U. S. Department of Labor, U. S. Employment Service, Division of Standards and Research.

tion laws. The California amendment is concerned with changes in the benefit formula. Previous provisions for the determination of average weekly wages and for the chronological charging of benefits were eliminated. The base period was reduced, becoming the first four of the five calendar quarters preceding the benefit year. Earnings of \$156 in the base year are required as a wage qualification. Maximum benefit amounts range from 32 percent (\$50 on \$156) to 20 percent or less (\$300 on \$1,500 or over) of base-year earnings. Weekly benefits are to be paid in even dollar amounts, approximating one twenty-sixth of high quarter earnings. Maximum and minimum benefit amounts remain at \$15 and \$7, respectively. The waiting period is to be 2 weeks of either total or partial unemployment during a benefit year. Temporary disqualifications, the duration of which is now limited to 2 additional weeks of waiting period, may be applied only in connection with an individual's most recent work.

The North Carolina amendment permits the commission to certify and retain in their present positions, without examination, employees who have given 6 months' satisfactory service prior to the certification of eligibles under the merit

system. The Oregon amendment was due to the enactment of a law regulating picketing, which defined "labor dispute" in such terms as to bring into question the State unemployment compensation law's conformity with title IX. The amendment provides, therefore, that on and after November 8, 1938, the criteria of "suitable employment" shall have the same meaning as those in section 903 (a) (5) of the Social Security Act.

The New York Legislature passed a resolution creating a committee to investigate and study the operation and administration of the State unemployment insurance law. This committee is to report by March 15, 1939.

DECISIONS ON APPEALED UNEMPLOYMENT COMPENSATION CASES

All State unemployment compensation laws provide that a worker's claim for benefits may be denied if he has failed to meet specified eligibility conditions and that benefit payments may be suspended for a period if certain disqualifying provisions are applicable. If the facts in a case are in dispute, the interested parties may be called in to the local office to meet informally with the

Table 8.—Decisions on first administrative review in appealed claims for unemployment benefits, by issues involved

[Decisions rendered since Jan. 1, 1938, and received by the Bureau of Research and Statistics before Dec. 31, 1938]

Issue involved ¹	Total decisions		Appeals by claimants		Appeals by employers		Referred by deputies	
	Number ²	Percent	Prior determination affirmed; benefit denied or not modified	Prior determination reversed or modified; benefit allowed or modified	Prior determination affirmed; benefit allowed or not modified	Prior determination reversed or modified; benefit denied or modified	Benefit allowed	Benefit denied
Total, all issues.....	14,620	100.0	3,591	10,396	421	165	35	12
Percent of total.....	100.0		24.6	71.1	2.9	1.1	0.2	0.1
Ability and availability.....	266	1.8	106	162	40	8	6	4
Claim and registration.....	1,117	7.6	418	694	3	1	1	0
Coverage, exclusions.....	117	.8	48	38	23	7	1	0
Coverage, multistate workers.....	120	.8	55	58	0	4	2	1
Coverage, number of workers.....	110	.8	34	72	3	1	0	0
Coverage, miscellaneous.....	339	2.3	90	215	21	8	5	0
Labor dispute.....	576	3.9	327	202	29	18	0	0
Misconduct, discharge for.....	1,039	7.1	305	572	95	57	10	0
Not unemployed.....	240	1.7	111	90	23	11	4	1
Other compensation ³	12	.1	5	6	1	0	0	0
Seasonality.....	102	.7	7	14	81	0	0	0
Suitable work, refusal of.....	146	1.0	57	72	6	10	0	1
Voluntary leaving.....	1,045	7.2	511	433	56	36	4	3
Wage credits, benefit rate, and duration.....	5,594	38.3	470	5,120	2	1	1	0
Wage credits, sufficiency.....	2,209	15.1	506	1,698	2	2	1	0
Wage credits, other.....	1,079	7.4	97	982	0	0	0	0
Waiting period.....	47	.3	33	13	0	1	0	0
Miscellaneous.....	457	3.1	408	13	36	0	0	0
Unknown.....	5	(⁴)	3	2	0	0	0	0

¹ A few decisions involve more than 1 issue; only the principal issue is considered in this tabulation.

² See table 9 for the number of decisions in each State.

³ Wages in lieu of notice, old-age benefits, workmen's compensation, etc.

⁴ Less than 0.1 percent.

deputy, and an attempt is made to settle the case before a formal appeal is made. If, for any reason, the deputy does not wish to make the decision on the contested claim, he may refer the case to an appeal tribunal; relatively few such referrals are made, however, as evidenced by the fact that only 0.3 percent of all decisions on first appeal received during 1938 concern cases which had been referred by deputies. The State laws provide an opportunity for a fair hearing on appeal for a claimant who is dissatisfied with the decision on his claim. The employer is likewise afforded an opportunity to appeal, and he frequently does so in cases when he believes that benefits have been allowed to a former worker who is not entitled to receive them.¹

Under most State laws, the first appeal from the initial determination is made to an appeal tribunal of three persons, or to a single examiner or referee. Further appeal to the State commission or to a board of review is provided under most State laws. Although the first appeal is always granted as a matter of right in all States, further appeal in

some States may, in some circumstances, be granted only by special permission of the State agency.

First Appeals

Table 8 indicates the issues involved in cases appealed to first appeals bodies during 1938; in addition, the data on worker and employer appeals are shown separately. Table 10 shows for each State the distribution by issues involved. All decisions rendered during the year which were received by the Bureau of Research and Statistics of the Social Security Board before December 31, 1938, are included in these tables. The tabulations cover 14,620² decisions received from 23 States. Reports from these States indicate that the actual number of decisions rendered during this period is somewhat larger than the number received by the Bureau of Research and Statistics. Although benefits were payable in 31 States during part of this period, no decisions were received from 7³ of them during 1938. In Connecticut

¹ This figure does not include 37 decisions which were not tabulated because of the absence of complete information as to the appellants, the issues, and the determination from which the appeal was taken.

² Idaho, Louisiana, New Mexico, Oklahoma, South Carolina, Vermont, and Virginia.

Table 9.—Decisions on first administrative review in appealed claims for unemployment benefits, by States

[Decisions rendered since Jan. 1, 1938, and received by the Bureau of Research and Statistics before Dec. 31, 1938]

State	Total decisions		Appeals by claimants		Appeals by employers		Referred by deputies	
	Number	Percent	Prior determination affirmed; benefit denied or not modified	Prior determination reversed; benefit allowed or modified	Prior determination affirmed; benefit allowed or not modified	Prior determination reversed; benefit denied or modified	Benefit allowed	Benefit denied
Total.....	14,620	100.0	3,591	10,396	421	165	35	12
Percent of total.....	100.0		24.6	71.1	2.9	1.1	0.2	0.1
Alabama.....	2	(1)	1	1	0	0	0	0
Arizona.....	5	(1)	1	4	0	0	0	0
California.....	39	.3	13	25	0	1	0	0
District of Columbia.....	53	.4	10	42	1	0	0	0
Indiana.....	283	2.0	121	121	15	8	18	5
Iowa.....	61	.4	17	35	3	3	0	0
Maine.....	54	.4	20	29	3	5	0	0
Maryland.....	17	.1	12	5	0	0	0	0
Massachusetts.....	7	.1	3	0	2	2	0	0
Michigan.....	202	1.4	50	63	67	22	0	0
Minnesota.....	46	.3	16	22	6	2	0	0
Mississippi.....	8	.1	3	5	0	0	0	0
New Hampshire.....	48	.3	20	28	0	0	0	0
New York.....	3,075	21.0	1,372	1,078	20	1	4	0
North Carolina.....	74	.5	38	15	3	1	10	7
Oregon.....	290	2.0	44	96	129	21	0	0
Pennsylvania.....	9,713	66.4	1,610	8,083	19	1	0	0
Rhode Island.....	33	.2	17	16	0	0	0	0
Tennessee.....	36	.2	22	13	0	0	1	0
Texas.....	3	(1)	1	1	0	1	0	0
Utah.....	34	.2	8	15	5	4	2	0
West Virginia.....	86	.6	57	22	5	2	0	0
Wisconsin.....	446	3.1	135	77	143	91	0	0

¹ Less than 0.1 percent.

there is no intermediate appeals stage; all appeals are taken directly to one of five commissioners. Since the decisions of these commissioners constitute decisions of the highest administrative appeals body, they are included with the decisions on final appeal.

Of the 14,620 first appeals, 95.7 percent were made by workers and only 4 percent by employers. The preponderance of worker appeals can be partly explained by the fact that 60.8 percent of all appeals were wage-credit cases, that is, cases involving disputes as to the rate or duration of benefits or as to the worker's eligibility for benefits on the basis of the State agency's records of his earnings and wage credits; and that 7.6 percent involved disputes arising out of the claimant's failure to report at the local office (claim and registration cases). These are issues which naturally would be expected to result in few employer appeals. If these groups of cases were to be excluded from consideration, 86.6 percent of the remainder would be worker appeals.

Of the other large categories of appeals cases, 1,038 concerned claimants allegedly discharged for

misconduct, and 1,046 concerned claimants who had allegedly left work voluntarily without good cause; 876, or 84.4 percent, of the former group and 945, or 90.3 percent, of the latter group were worker appeals. A large proportion of worker appeals might well be expected in such cases.

Table 9 reveals that most of the decisions on first appeal were received from a small number of States. Pennsylvania accounted for 9,713, or 66.4 percent of the total, and 3,075, or 21 percent, were received from New York. The only other States from which more than 100 decisions were received during 1938 are Indiana (288), Michigan (202), Oregon (290), and Wisconsin (446).

Of the worker appeals, 74.3 percent have been successful; if, however, the wage-credit and claim and registration cases are excluded from consideration, only 47.5 percent of the worker appeals have been successful. The large proportion of successful appeals by workers is closely connected with the previously mentioned fact that a large proportion of these decisions involved appeals concerning the correctness and completeness of the initial determinations of benefit rate and duration

Table 10.—Decisions on first administrative review in appealed claims for unemployment benefits, by States and issues involved¹

[Decisions rendered since Jan. 1, 1938, and received by the Bureau of Research and Statistics before Dec. 31, 1938]

State	Total decisions		Ability and availability	Claim and registration	Coverage, exclusions	Coverage, multi-state workers	Coverage, number of workers	Coverage, miscellaneous	Labor dispute	Misconduct, discharge for	Not unemployed	Other compensation	Seasonality	Suitable work, refusal of	Voluntary leaving	Wage credits, benefit rate and duration	Wage credits, sufficiency	Wage credits, other	Waiting period	Miscellaneous	Unknown
	Number	Percent																			
Total.....	14,620	100.0	266	1,117	117	120	110	339	576	1,039	240	12	102	146	1,045	5,594	2,209	1,079	47	457	5
Percent of total.....	100.0		1.8	7.6	0.8	0.8	0.8	2.3	3.9	7.1	1.7	0.1	0.7	1.0	7.2	38.3	15.1	7.4	0.3	3.1	(?)
Alabama.....	2	(?)	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Arizona.....	5	(?)	0	0	0	0	0	3	0	0	1	0	0	0	0	0	0	1	0	0	0
California.....	39	.3	1	0	0	0	1	7	12	0	2	0	0	2	5	2	2	4	1	0	0
District of Columbia.....	53	.4	0	0	0	4	0	11	0	0	0	0	0	4	1	1	21	5	0	6	0
Indiana.....	288	2.0	33	0	4	22	2	28	0	56	9	2	0	33	70	7	16	0	2	4	0
Iowa.....	61	.4	7	0	6	7	2	9	7	4	3	0	0	0	3	2	5	2	0	4	0
Maine.....	54	.4	3	0	1	0	0	5	0	20	7	0	0	0	10	5	3	0	0	0	0
Maryland.....	17	.1	0	0	0	0	2	3	0	7	2	0	0	0	3	0	0	0	0	0	0
Massachusetts.....	7	.1	0	0	0	0	0	0	0	3	0	1	0	0	3	0	0	0	0	0	0
Michigan.....	202	1.4	29	15	5	4	11	18	10	13	25	4	0	6	16	13	23	0	9	1	1
Minnesota.....	46	.3	2	4	1	3	0	9	6	0	2	0	2	1	1	10	2	2	1	0	0
Mississippi.....	8	.1	1	0	0	0	0	1	0	0	5	0	0	0	0	0	1	0	0	0	0
New Hampshire.....	48	.3	2	0	0	0	0	0	1	16	3	0	0	11	12	1	2	0	0	0	0
New York.....	3,075	21.0	73	1,076	63	22	80	142	300	617	77	3	0	37	(1)	56	51	4	20	364	0
North Carolina.....	74	.5	25	1	0	0	0	1	2	5	8	0	0	12	15	0	0	0	0	3	2
Oregon.....	290	2.0	8	6	6	1	0	19	116	5	15	0	100	1	2	2	6	0	0	3	0
Pennsylvania.....	9,713	66.4	30	5	19	52	7	57	6	(2)	48	1	0	10	770	5,493	2,074	1,660	21	59	1
Rhode Island.....	33	.2	4	0	0	0	2	1	1	12	6	1	0	0	5	0	1	0	0	0	0
Tennessee.....	36	.2	5	0	0	0	0	7	0	14	1	0	0	0	5	0	2	0	0	2	0
Texas.....	3	(?)	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1	0	0
Utah.....	34	.2	1	0	0	2	2	8	0	4	9	0	0	1	5	2	0	0	0	0	0
West Virginia.....	86	.6	15	2	1	0	1	1	9	18	15	0	0	4	14	0	0	1	1	3	1
Wisconsin.....	446	3.1	26	8	10	3	0	8	16	245	1	0	0	24	105	0	0	0	0	0	0

¹ A few decisions involve more than 1 issue; only the principal issue is considered in this tabulation.

² Wages in lieu of notice, old-age benefits, workmen's compensation, etc.

³ Less than 0.1 percent.

⁴ New York has no disqualification for voluntary leaving.

⁵ Pennsylvania has no disqualification for misconduct.

and other wage-credit cases. All States have experienced some difficulties in obtaining complete and accurate wage records in the early stages of operation. As administrative procedures are perfected, the number of decisions of this type may be expected to decrease. It may be noted that the largest group of such decisions was received from Pennsylvania. In that State many determinations involving merely the correctness or completeness of the State agency's records of the workers' earnings are appealed, whereas in other States such determinations are frequently reconsidered by the agency at the request of the claimants, thereby usually eliminating the necessity for appeal.

It may be noted that worker appeals from initial determinations involving disqualification for voluntarily leaving without good cause have been successful in about 46 percent of such appeals filed by workers. In appeals from disqualification because of discharge for misconduct, however, worker appeals have been successful in

over 65 percent of the cases. It may be that appeals tribunals have been more hesitant to confirm the imposition of the long disqualification period for misconduct⁴ than the imposition of the shorter period involved in voluntary leaving, because of the absence, in some instances, of clear and convincing evidence of the existence of misconduct or because of the existence of mitigating factors. In addition, employers have frequently confused dismissal for inefficiency or incompetence, or for violation or a minor infraction of rules or instructions, with dismissal for misconduct, but such cases may be expected to decline in number as experience with the law accumulates.

Almost all worker appeals in the "miscellaneous" category were unsuccessful because of the fact that most of them involve cases in which

⁴ Although many State laws provide a flexible period of disqualification in cases of misconduct and voluntary leaving, most of the misconduct decisions classified here were received from New York, whose law imposes a flat period of 10 weeks. It is to be expected that in doubtful cases referees would prefer to allow benefits rather than impose such a long period of disqualification.

Table 11.—Decisions on final administrative review in appealed claims for unemployment benefits, by issues involved

(Decisions rendered since Jan. 1, 1938, and received by the Bureau of Research and Statistics before Dec. 31, 1938)

Issue involved ¹	Total decisions		Action on petition for review						Action on own motion or on first appeal			
			Appeals by claimants		Appeals by employers		Appeals by deputies		Appeals by claimants		Appeals by employers	
	Number ²	Per cent	Decision of first appeal body affirmed; benefit denied or not modified	Decision of first appeal body reversed; benefit allowed or modified	Decision of first appeal body affirmed; benefit allowed or not modified	Decision of first appeal body reversed; benefit denied or modified	Previous decision affirmed	Previous decision reversed	Prior determination affirmed; benefit denied or not modified	Prior determination reversed; benefit allowed or modified	Prior determination affirmed; benefit allowed or not modified	Prior determination reversed; benefit denied or modified
Total, all issues.....	1,273	100.0	268	106	149	23	61	23	257	229	82	28
Percent of total.....	100.0		21.1	8.3	11.7	1.8	4.8	1.8	20.2	18.0	6.4	2.2
Ability and availability.....	57	4.5	10	3	16	1	0	0	15	4	5	2
Claim and registration.....	91	7.2	45	28	0	0	0	0	1	2	0	2
Coverage, exclusions.....	38	3.0	12	1	9	3	1	0	4	7	0	1
Coverage, multistate workers.....	12	.9	3	4	2	0	1	0	0	2	0	0
Coverage, number of workers.....	66	5.2	10	4	18	4	0	0	27	3	0	0
Coverage, miscellaneous.....	70	5.5	6	6	27	5	4	2	7	10	3	0
Labor dispute.....	78	6.1	33	4	6	3	0	0	18	8	5	1
Misconduct, discharge for.....	159	12.5	34	4	37	4	0	0	31	19	13	17
Not unemployed.....	54	4.2	12	3	2	0	5	2	13	8	2	7
Other compensation ³	5	.4	0	1	0	0	1	0	2	1	0	0
Seasonality.....	1	.1	0	0	1	0	0	0	0	0	0	0
Suitable work, refusal of.....	40	3.1	6	0	6	0	1	0	8	2	14	3
Voluntary leaving.....	219	17.2	26	6	11	1	31	10	62	17	23	22
Wage credits, benefit rate, and duration.....	54	4.2	5	21	0	0	5	4	3	16	0	0
Wage credits, sufficiency.....	178	14.0	10	7	5	2	1	5	58	88	1	1
Wage credits, other.....	17	1.3	0	1	0	0	2	0	3	10	0	1
Waiting period.....	34	2.7	8	3	0	0	2	0	2	2	0	17
Miscellaneous.....	67	5.3	45	0	9	0	7	0	3	1	2	0
Unknown.....	33	2.6	0	0	0	0	0	0	0	29	4	0

¹ A few decisions involve more than 1 issue. Only the principal issue is considered in this tabulation.

² See table 12 for the number of decisions rendered in each State.

³ Wages in lieu of notice, old-age benefits, workmen's compensation, etc.

workers failed to appear at scheduled hearings. Of the 457 appeals in this category, 364 arose in New York.

Of the 586 employer appeals, 473 or 80.7 percent were made in Michigan, Oregon,⁵ and Wisconsin, three States whose laws contain merit-rating provisions. The existence of merit-rating provisions may also account in part for the low proportion of successful employer appeals. It has been suggested that the employer's interest in keeping the amount of benefits charged to his account at a minimum has led employers to appeal against the allowance of benefits in many cases in which better information based upon longer acquaintance with the administration of the law would have made it evident that the claimants were clearly entitled to receive such benefits. Of all the employer appeals, only 165 or 28.2 percent were successful in causing the prior determination to be reversed or modified.

Final Appeals

In most States, a claimant or an employer may

⁵ An unusual procedural factor inflated the percentage of unsuccessful employer appeals in Oregon, where 77 decisions concerned employees of a single establishment. The employer, contending that the claimants were seasonal workers, appealed against the allowance of benefits in each case, but benefits were allowed by the appeals tribunal in all instances. The more common procedure in such a situation, however, is to have the decision in 1 or 2 test cases apply to all the individuals concerned. If these 77 cases were counted as 1, the proportion of successful employer appeals would be slightly over 32 percent.

take an appeal from the decision of an appeal tribunal to the State commission or board of review, although such appeals may not in all cases be taken as a matter of right. In many States, the deputy also may appeal against the decision of an appeal tribunal which has reversed his determination. In addition, under most State laws the commission or board of review may take up appeals on its own motion. Connecticut, where the final appeal is at the same time the first appeal, accounted for 572, or almost 45 percent, of the 1,273⁶ decisions by final appeals authorities received by the Bureau of Research and Statistics during 1938. Considerable numbers of decisions on final appeal were received from only 3 other States—349 from New York, 126 from Pennsylvania, and 133 from Wisconsin. The other 10 States from which such decisions were received handed down only 93, or 7.3 percent, of the total.

It is interesting to observe that although nearly two-thirds of the decisions on first appeals involve the wage-credit issues, no such concentration of decisions exists in the case of final appeals. The largest group of decisions on final appeals also involves the wage-credit issue, but this group

⁶ Of the final decisions received by the Bureau of Research and Statistics, 11 were not tabulated because it was impossible to ascertain who were the appellants.

Table 12.—Decisions on final administrative review in appealed claims for unemployment benefits, by States

[Decisions rendered since Jan. 1, 1938, and received by the Bureau of Research and Statistics before Dec. 31, 1938]

State	Total decisions		Action on petition for review						Action on own motion or on first appeal			
			Appeals by claimants		Appeals by employers		Appeals by deputies		Appeals by claimants		Appeals by employers	
	Number	Percent	Decision of first appeal body affirmed; benefit denied or not modified	Decision of first appeal body reversed; benefit allowed or modified	Decision of first appeal body affirmed; benefit allowed or not modified	Decision of first appeal body reversed; benefit denied or modified	Previous decision affirmed	Previous decision reversed	Prior determination affirmed; benefit denied or not modified	Prior determination reversed; benefit allowed or modified	Prior determination affirmed; benefit allowed or not modified	Prior determination reversed; benefit denied or modified
Total.....	1,273	100.0	268	106	149	23	61	23	257	229	82	75
Percent of total.....	100.0		21.1	8.3	11.7	1.8	4.8	1.8	20.2	18.0	6.4	5.9
Connecticut.....	572	44.9	0	0	0	0	0	0	212	211	77	72
Indiana.....	7	.5	2	1	4	0	0	0	0	0	0	0
Maine.....	2	.2	2	0	0	0	0	0	0	0	0	0
Massachusetts.....	1	.1	0	0	0	0	0	0	0	1	0	0
Michigan.....	2	.2	1	0	1	0	0	0	0	0	0	0
Minnesota.....	3	.2	2	0	1	0	0	0	0	0	0	0
New York.....	349	27.4	181	63	67	16	0	0	0	1	1	0
North Carolina.....	1	.1	0	0	0	0	0	0	0	0	1	0
Oregon.....	10	1.5	0	1	5	2	0	0	1	1	0	0
Pennsylvania.....	126	9.9	16	19	1	0	61	23	2	4	0	0
Tennessee.....	2	.2	2	0	0	0	0	0	0	0	0	0
Utah.....	2	.2	0	0	2	0	0	0	0	0	0	0
West Virginia.....	54	4.2	0	0	1	1	0	0	42	10	0	0
Wisconsin.....	133	10.4	53	2	67	4	0	0	0	1	3	3

comprises only about 20 percent of all final appeals decisions. If the Connecticut cases⁷ are excluded, the proportion of wage-credit cases becomes about 10 percent of the final appeals, and decisions involving misconduct and voluntary leaving comprise about 29 percent of the total. Somewhat smaller numbers of decisions involve disputes regarding fulfillment of procedural requirements in connection with filing or renewing claims and the imposition of the labor-dispute disqualification.

Although the initial determination was confirmed by the first appeals tribunals in only 27.5 percent of all cases, previous decisions of lower appeals bodies were upheld in over 64 percent of all cases adjudicated by the final appeals authorities. Reversals are likely to occur in cases in which the final appeals authority has taken a case from a lower tribunal upon its own motion, or where the case has been appealed from the deputy directly to the final authority. If these decisions are left out of account, the previous decision was

⁷ Over 70 percent of all wage-credit decisions were reported by Connecticut, where, as previously indicated, the final appeals are from initial determinations rather than from appeals tribunals.

upheld in about 76 percent of all cases involving appeals from decisions of appeals tribunals.

Only 10 of the 133 decisions appealed to the Wisconsin commission were overruled, as compared with 100 of the 349 decisions overruled in New York and 46 of the 126 decisions overruled in Pennsylvania. The comparatively low proportion of reversals in Wisconsin is largely due to the fact that the appeals machinery in this State was over 1 year old when appeals were first filed in the States which began benefit payments in January 1938. Reversals of the appeals tribunals had been more frequent in Wisconsin during 1937, and it seems reasonable to expect fewer reversals in other States as appeals bodies gain experience and a new body of administrative law is developed.

All the decisions involving appeals against the decision of the referee by the officer responsible for the initial determination were received from Pennsylvania, where the board of review has encouraged appeals from referees' decisions for the purpose of securing uniformity of interpretation on important issues.

Table 13.—Decisions on final administrative review in appealed claims for unemployment benefits, by States and issues involved¹

[Decisions rendered since Jan. 1, 1938, and received by the Bureau of Research and Statistics before Dec. 31, 1938]

State	Total decisions		Ability and availability	Claim and registration	Coverage, exclusions	Coverage, multi-state workers	Coverage, number of workers	Coverage, miscellaneous	Labor dispute	Misconduct, discharge for	Not unemployed	Other compensation	Seasonality	Suitable work, refusal of	Voluntary leaving	Wage credits, benefit rate and duration	Wage credits, sufficiency	Wage credits, other	Waiting period	Miscellaneous	Unknown
	Number	Percent																			
Total.....	1,273	100.0	57	91	38	12	66	70	78	150	54	5	1	40	219	54	178	17	34	67	33
Percent of total.....	100.0	-----	4.5	7.2	3.0	0.9	5.2	5.5	6.1	11.5	4.2	0.4	0.1	3.1	17.2	4.2	14.0	1.3	2.7	5.3	2.6
Connecticut.....	572	44.9	15	3	12	2	29	18	31	59	25	2	0	24	117	16	148	14	20	4	33
Indiana.....	7	.5	3	0	0	0	0	1	0	0	1	1	0	0	1	0	0	0	0	0	0
Maine.....	2	.2	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0
Massachusetts.....	1	.1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Michigan.....	2	.2	0	0	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Minnesota.....	3	.2	0	0	0	0	0	1	2	0	0	0	0	0	0	0	0	0	0	0	0
New York.....	349	27.4	3	87	18	6	36	35	29	19	11	0	0	1	(1)	17	22	1	11	53	0
North Carolina.....	1	.1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Oregon.....	19	1.5	0	0	1	0	0	2	11	0	2	0	1	0	0	0	0	0	0	2	0
Pennsylvania.....	126	9.9	0	0	2	4	1	8	0	(4)	9	2	0	1	58	21	8	2	2	8	0
Tennessee.....	2	.2	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah.....	2	.2	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0
West Virginia.....	54	4.2	13	1	0	0	0	0	1	15	4	0	0	3	16	0	0	0	1	0	0
Wisconsin.....	133	10.4	23	0	3	0	0	2	3	65	1	0	0	10	26	0	0	0	0	0	0

¹ A few decisions involve more than 1 issue; only the principal issue is involved in this tabulation.

² Wages in lieu of notice, old-age benefits, workmen's compensation, etc.

³ New York has no disqualification for voluntary leaving.

⁴ Pennsylvania has no disqualification for misconduct.

PUBLIC ASSISTANCE

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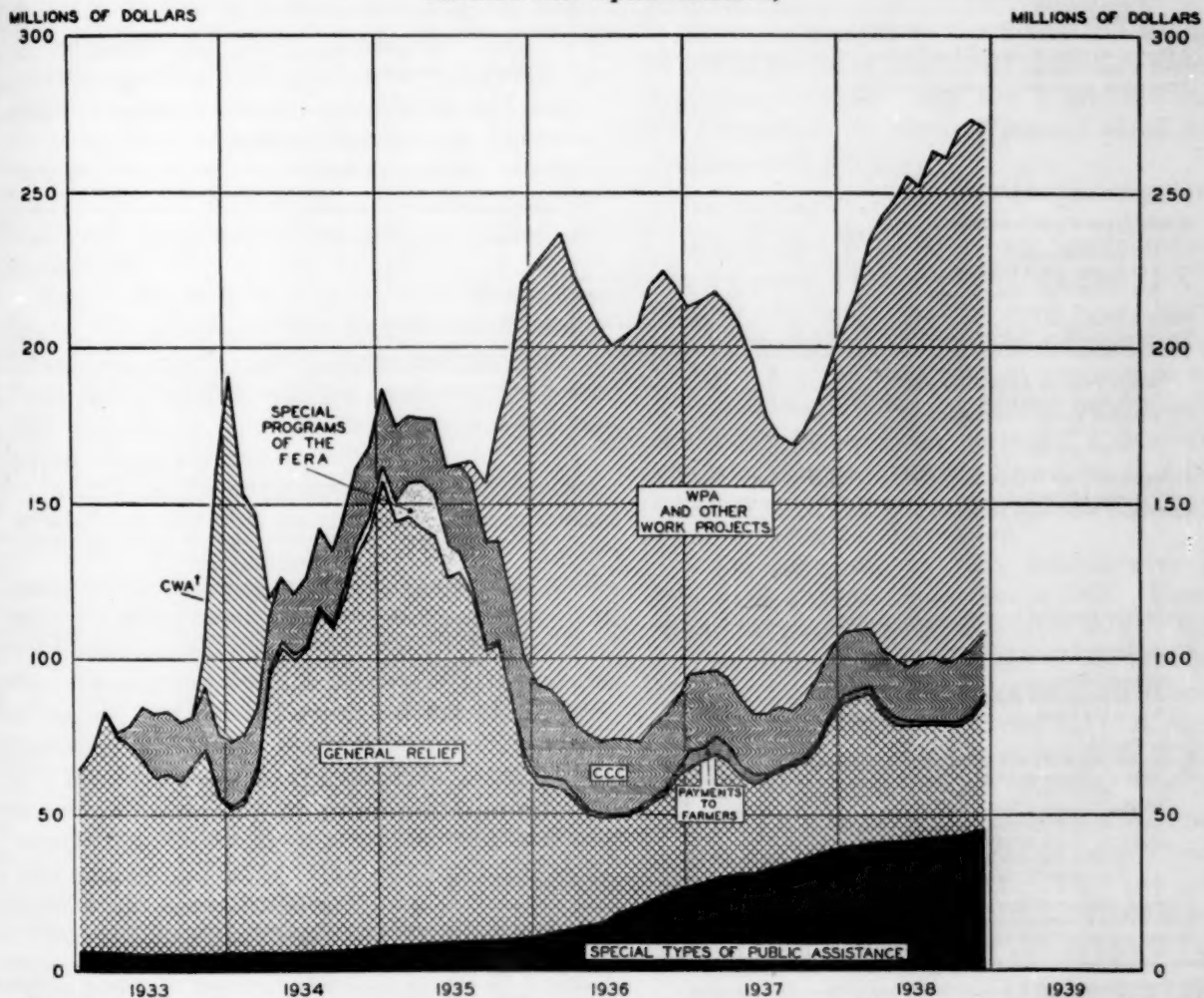
PUBLIC RELIEF IN THE CONTINENTAL UNITED STATES, 1933-38

In the years 1933 through 1938, public expenditures for assistance to persons in need in the continental United States amounted to \$12.9 billion. During these 6 years fundamental changes have occurred in the methods of financing and operating the public-assistance and relief programs. Chart I shows the course of relief expenditures and indicates the pronounced changes which have occurred in the relief pattern during this period.

Federal financial participation in the field of public assistance dates from 1932, when the Reconstruction Finance Corporation was authorized to make loans to the States and localities for relief purposes.¹ The State and local agencies administering relief from funds lent by the RFC, however, were not subject to Federal administrative

¹ The States were relieved of the obligation to repay these loans in 1934; loans to local governments are still in effect.

Chart I.—All public relief in the continental United States, January 1933–December 1938 (transient care and administrative expense excluded)



† Represents earnings of persons previously receiving relief, estimated arbitrarily by the Works Progress Administration as 50 percent of the total obligations incurred for earnings from Federal funds under the Civil Works Program.

control. In 1933, when the depth of the depression was reached, it became apparent that relief needs could be met only through the combined resources and active cooperation of the Federal, State, and local governments. Early in 1933 the

Congress created a comprehensive Federal program to cope with the relief problem on a national front. Recognition that the relief of destitution is a matter of national concern was a turning point in the history of public welfare.

Table 1.—All public relief in the continental United States, by programs and by calendar years, 1933–38¹

Program	1933	1934	1935	1936	1937	1938
Amount (in thousands of dollars)						
All public relief extended to cases.....	\$1,048,609	\$1,744,857	\$2,129,647	\$2,619,740	\$2,332,769	\$2,905,705
Special types of public assistance.....	72,414	80,003	114,663	217,379	397,944	509,369
Old-age assistance.....	26,071	32,244	64,966	155,196	310,509	392,874
Aid to dependent children.....	40,504	40,686	41,727	49,370	71,261	97,333
Aid to the blind.....	5,839	7,073	7,970	12,813	16,174	19,162
General relief.....	738,470	1,113,948	1,350,224	436,703	406,522	477,789
Special programs of Federal Emergency Relief Administration.....	418	27,512	75,405	127		
Earnings of persons certified as in need of relief employed on work projects.....			253,963	1,652,684	1,246,764	1,755,773
Works Progress Administration.....			221,641	1,448,859	1,100,267	1,622,417
Other Federal agencies.....			25,958	152,759	94,026	78,103
National Youth Administration:						
Student aid.....			6,364	25,900	24,288	19,454
Work projects.....				25,166	28,183	35,798
Adjusted earnings of persons enrolled in Civilian Conservation Corps.....	140,736	260,957	332,851	292,391	245,643	230,166
Civil Works Program.....	96,571	262,437				
Emergency subsistence payments to farmers.....			2,541	20,366	35,896	22,609
Percentage distribution						
All public relief extended to cases.....	100.0	100.0	100.0	100.0	100.0	100.0
Special types of public assistance.....	6.9	4.6	5.4	8.3	17.1	17.0
Old-age assistance.....	2.5	1.9	3.0	5.9	13.3	13.1
Aid to dependent children.....	3.9	2.3	2.0	1.9	3.1	3.3
Aid to the blind.....	.8	.4	.4	.5	.7	.6
General relief.....	70.5	63.8	63.4	16.7	17.4	15.9
Special programs of Federal Emergency Relief Administration.....	(2)	1.6	3.6	(1)		
Earnings of persons certified as in need of relief employed on work projects.....			11.9	63.1	53.5	58.6
Works Progress Administration.....			10.4	55.3	47.2	54.2
Other Federal agencies.....			1.2	5.8	4.0	2.6
National Youth Administration:						
Student aid.....			.3	1.0	1.1	.6
Work projects.....				1.0	1.2	1.2
Adjusted earnings of persons enrolled in Civilian Conservation Corps.....	13.4	15.0	15.6	11.1	10.5	7.7
Civil Works Program.....	9.2	15.0				
Emergency subsistence payments to farmers.....			.1	.8	1.5	.8
Amount per inhabitant ²						
All public relief extended to cases.....	\$8.34	\$13.78	\$16.70	\$20.40	\$18.05	\$23.17
Special types of public assistance.....	.58	.63	.90	1.69	3.08	3.94
Old-age assistance.....	.21	.25	.51	1.21	2.40	3.04
Aid to dependent children.....	.32	.32	.33	.38	.55	.75
Aid to the blind.....	.05	.06	.06	.10	.13	.15
General relief.....	5.87	8.80	10.59	3.40	3.14	3.70
Special programs of Federal Emergency Relief Administration.....	(4)	.22	.59	(4)		
Earnings of persons certified as in need of relief employed on work projects.....			1.99	12.87	9.65	13.58
Works Progress Administration.....			1.74	11.28	8.51	12.55
Other Federal agencies.....			.20	1.19	.73	.60
National Youth Administration:						
Student aid.....			.05	.20	.19	.15
Work projects.....				.20	.22	.28
Adjusted earnings of persons enrolled in Civilian Conservation Corps.....	1.12	2.06	2.61	2.28	1.90	1.78
Civil Works Program.....	.77	2.07				
Emergency subsistence payments to farmers.....			.02	.16	.28	.17

¹ See footnotes on table 2.

² Less than 0.1 percent.

³ Based on total population estimated by the U. S. Bureau of the Census

as of July 1 of each year, except 1938 which is based on estimated population as of July 1, 1937.

⁴ Less than 1 cent.

Relief During 1933

The first national relief agency to be established in 1933 was the Emergency Conservation Work, which later became the Civilian Conservation Corps. The CCC provides work in conservation camps to young men drawn primarily from relief families. Enrollees receive both subsistence and a cash wage. Most enrollees are required to send their families a large part of their cash earnings. The CCC therefore performs the dual function of providing useful work to young men and of distributing substantial amounts of financial assistance to needy families.

In May 1933 the Federal Emergency Relief Administration was created, and grants-in-aid were made available to State emergency relief administrations. State emergency relief agencies already in existence were continued, and entirely new administrative units were set up in some States hitherto lacking such agencies. The FERA prescribed rules and regulations pertaining to eligibility, standards, and procedures, and supervised the State relief administrations in the operation of direct and work-relief programs. In 1933 the FERA also established a transient program and special programs for emergency education and student aid.

Toward the close of 1933 the Civil Works Program was created by the Federal Government. This work program drew about half its workers from the relief rolls and the remainder from the general ranks of the unemployed without the application of a means test.

In 1933 the Federal Surplus Relief Corporation, which later became the Federal Surplus Commodities Corporation, was established. Large quantities of surplus foodstuffs and cotton products are distributed to needy families by public relief agencies through the activities of this agency. Surplus commodities are purchased primarily to stimulate agricultural prices and are given, presumably, in addition to regular relief allowances. For these reasons, the value of surplus commodities is excluded from the "all public relief" series. In many areas, however, surplus commodities represent an important share of the total assistance distributed to needy families.

Public relief payments in 1933 totaled somewhat more than \$1 billion. As shown in table 1, general relief payments accounted for more than 70 percent of the total. Relief expenditures under

State and local relief programs prior to the establishment of the FERA and payments for direct and work relief under the FERA program amounted to \$738 million. Cash earnings and subsistence of CCC enrollees entailed an expenditure of \$141 million, or about 13 percent of all relief.

Although the Civil Works Program did not get under way until the closing months of 1933, earnings of persons on this program who were previously receiving general relief amounted to about \$97 million, or over 9 percent of the total relief bill. Under the CWA program, earnings of persons taken from the relief rolls were not distinguished from earnings of persons drawn from the general ranks of the unemployed. Earnings of persons previously receiving relief, therefore, have been estimated by the WPA to be 50 percent of all earnings from Federal funds under this program.

Assistance granted by the States and localities to special groups of dependent persons—the aged, dependent children, and the blind—accounted for \$72 million, or about 7 percent of all relief distributed in 1933.

Relief During 1934

In 1934 the CWA program was terminated after about 5 months of operation. Workers on CWA projects who could establish need were absorbed by the work and direct relief programs of the FERA. A rural rehabilitation program to meet the special needs of the destitute in rural areas was established by the FERA in 1934. This program was later transferred to the Resettlement Administration and was subsequently continued by the Farm Security Administration.²

Relief payments in 1934 totaled over \$1.7 billion, 66.4 percent more than in 1933. Expenditures for general relief amounted to \$1.1 billion and comprised over three-fifths of the 1934 relief bill. As shown in table 2, the general relief burden was substantially reduced during the peak months of the CWA program but increased greatly following the termination of that program. By April 1934, CWA earnings were relatively unimportant, and in that month general relief payments reached \$88 million, well above the figure for any month of 1933. Thereafter, monthly expenditures for general relief moved upward almost steadily until

² Relief administered by the Resettlement Administration and the Farm Security Administration includes only emergency subsistence payments in the form of direct grants; loans to farmers are excluded.

in December 1934 such payments amounted to \$134 million.

It is estimated that persons selected from the relief rolls for employment on CWA projects received earnings amounting to about \$262 million, or 15 percent of the 1934 total. Practically all these earnings were concentrated in the first 3 months of the year. Another 15 percent of the 1934 total was accounted for by adjusted earnings of CCC enrollees. Such earnings amounted to \$261 million, 85.4 percent greater than in 1933. Assistance to the aged, dependent children, and the blind amounted to \$80 million, not much above the 1933 total. Aid to these special groups comprised less than 5 percent of all public relief in 1934.

Relief During 1935

In 1935 the creation of the Federal Works Program and the passage of the Social Security Act were developments of far-reaching importance, since they established the over-all relief pattern which has since prevailed. The Social Security Act, which did not become operative until 1936, provided for Federal financial participation in State programs for assisting three special groups of dependent persons—the aged, dependent children, and the blind. The act also provided for the establishment of a Federal-State system of unemployment compensation for regularly employed workers and created a Federal system of old-age insurance for aged retired workers. Other titles authorized Federal grants to the States for maternal and child-welfare services, public health, and vocational rehabilitation.

The Works Program was a broad program carried on by the Works Progress Administration, the National Youth Administration, and other Federal agencies and was initiated to provide jobs on public-work projects for the needy unemployed. As the Works Program gathered momentum in the latter half of 1935, the FERA was gradually liquidated. By December 1935 the final FERA grants-in-aid to the States had been determined, and responsibility for the care of unemployables had been turned back to the States and localities.

By far the largest share of Works Program employment has been supplied by the WPA, which operates a great variety of useful projects designed to utilize as far as possible the usual skills of the persons employed. The WPA also served

as the coordinating agency for all the employment activities under the Works Program. The NYA, which was established within the WPA in June 1935, provides part-time employment for needy high school and college students and operates work projects to meet the special needs of unemployed youths who are no longer attending school. From April 1935 through June 1936, the CCC was also a part of the Works Program. In addition, this program included numerous regular and emergency Federal agencies whose activities could be expanded to employ substantial numbers of workers taken from the relief rolls.

Total relief expenditures in 1935 amounted to more than \$2.1 billion, 22 percent in excess of the 1934 total. Payments for general relief again accounted for the major part of the total. Such payments amounted to about \$1.4 billion, the largest annual expenditure for general relief in this 6-year period. Monthly expenditures for this type of aid reached an all-time peak of \$148 million in January 1935 and thereafter followed a general downward movement. In the latter half of the year the general relief program contracted rapidly; in December the amount of obligations incurred was \$55 million. Expenditures under the special programs of the FERA, which amounted to \$75 million in 1935, were also reduced to a low level by the end of the year.

Earnings of persons certified as in need of relief employed on projects under the Works Program mounted steadily in the closing months of 1935 and totaled \$254 million, or about 12 percent of total expenditures during the year. The WPA accounted for \$222 million of the total earnings of persons in need of relief employed on work projects. In 1935, adjusted earnings of CCC enrollees amounted to \$333 million, the largest annual expenditure under this program during the 6-year period. Such earnings comprised 15.6 percent of all public relief for the year.

Payments to the aged, dependent children, and the blind totaled \$115 million, an increase of 43.3 percent over 1934. Practically all this expansion occurred in the amount expended for assistance to the aged. Payments to the needy aged increased from \$32 million in 1934 to \$65 million in 1935. Expenditures for aid to dependent children amounted to \$42 million in 1935, only \$1 million above the 1934 total.

Relief During 1936

In 1936 the shifts in emphasis which had been initiated in 1935 became more marked. The Works Program supplanted the FERA program as the largest part of the relief structure, and expenditures for the special types of public assistance were greatly expanded.

Relief payments in 1936 amounted to \$2.6 billion, almost \$500 million above the 1935 total. Earnings of persons certified as in need of relief employed on work projects amounted to about \$1.7 billion—more than three-fifths of all relief expenditures during the year. Relief earnings amounted to over \$1.4 billion on WPA projects and to \$153 million on projects operated by other Federal agencies. Payments under the NYA program entailed an expenditure of \$51 million.

In 1936 general relief payments amounted to \$437 million, a decline of 67.7 percent from the 1935 expenditure. This type of assistance comprised less than 17 percent of all public relief in 1936 as compared with 63.4 percent in 1935.

Adjusted earnings of CCC enrollees in 1936 totaled \$292 million, \$40 million less than was expended under this program in 1935. The part of the total relief bill represented by CCC earnings decreased from 15.6 percent in 1935 to 11.2 percent in 1936.

With the impetus of Federal grants-in-aid which became available in February 1936 under the public-assistance provisions of the Social Security Act, the total amount of obligations incurred for old-age assistance, aid to dependent children, and aid to the blind increased from \$115 million in 1935 to \$217 million in 1936. The special types of public assistance accounted for 8.3 percent of all relief in 1936 as compared with 5.4 percent in 1935. Payments to the aged amounted to \$155 million, more than double the 1935 expenditure. Obligations incurred for aid to dependent children were 18.3 percent greater in 1936 than in 1935, and payments to the blind increased 60.8 percent.

Relief During 1937

In 1937 economic conditions were relatively favorable until the fall of the year when a business recession occurred. The annual relief bill declined in comparison with the previous year for the first time since the depression began in 1929.

Relief payments in 1937 amounted to about \$2.3 billion, almost \$300 million below 1936. Payments for the special types of public assistance increased greatly in 1937, but the sums expended under all other major programs were smaller than in 1936.

Relief earnings under the Works Program totaled about \$1.2 billion, more than \$400 million below the total of such earnings in 1936. Despite this substantial retrenchment, the Works Program accounted for more than half of all relief payments during the year. Persons in need of relief employed on WPA projects received wages amounting to \$1.1 billion, a decline of almost \$350 million from 1936. Relief earnings on WPA projects decreased markedly in the summer months but turned upward once more as the recession rapidly reduced the volume of private employment at the close of the year.

General relief payments amounting to \$407 million represented 17.4 percent of the 1937 relief bill. Although expenditures for general relief increased sharply at the end of the year, the annual total was \$30 million less than in 1936.

The volume of adjusted earnings of enrollees in the CCC was substantially smaller in 1937 than in 1936. Such earnings declined from \$292 million in 1936 to \$246 million in 1937, when they comprised 10.5 percent of all relief payments.

The amount of obligations incurred for old-age assistance, aid to dependent children, and aid to the blind increased from \$217 million in 1936 to \$398 million in 1937. Assistance to these groups accounted for over 17 percent of all relief in 1937, as compared with only 8.3 percent in the previous year. The greatest expansion occurred in the amount of assistance to the aged, but payments for aid to dependent children were also substantially larger in 1937 than in 1936.

Relief During 1938

In 1938, relief expenditures reached the high point of all time—almost \$3.0 billion. During this year the trough of the recession which began in the fall of 1937 was reached. Earnings of persons in need of relief employed on work projects amounted to about \$1.8 billion and accounted for almost three-fifths of all relief payments. Relief earnings on WPA projects were \$522 million greater in 1938 than in 1937.

Expenditures for the special types of public

Table 2.—All public relief in the continental United States, by months, January 1933–December 1938

[In thousands of dollars]

Year and month	All public relief extended to cases 1	Obligations incurred for—			Earnings of persons certified as in need of relief employed on work projects 2				Adjusted earnings of persons enrolled in Civilian Conservation Corps 3	Civil Works Program 4	Emergency subsistence payments to farmers 5	
		Payments to recipients of special types of public assistance 6	General relief 7	Relief under special programs of the Federal Emergency Relief Administration 8	Works Progress Administration 9	Other Federal agencies 10	National Youth Administration					
							Student aid	Work projects 7				
Total for 1933.												
January.....	\$1, 048, 009	\$72, 414	\$738, 470	\$418						\$140, 736	\$98, 571	
February.....	64, 441	6, 485	57, 956									
March.....	70, 184	6, 218	63, 966									
April.....	83, 036	6, 215	76, 821									
May.....	76, 220	6, 109	68, 637									
June.....	78, 964	6, 060	66, 517									
July.....	85, 008	5, 961	62, 055									
August.....	82, 718	5, 883	56, 256									
September.....	83, 000	5, 866	57, 138									
October.....	79, 702	5, 870	54, 733									
November.....	81, 526	5, 867	60, 080	4								
December.....	102, 180	5, 878	65, 062	61								
	161, 480	6, 002	46, 139	353								
Total for 1934.												
January.....	1, 744, 857	80, 003	1, 113, 948	27, 512								
February.....	190, 896	6, 274	45, 313	1, 075								
March.....	154, 010	6, 208	47, 556	1, 805								
April.....	147, 037	6, 300	57, 652	2, 516								
May.....	119, 883	6, 267	88, 349	2, 195								
June.....	126, 999	6, 341	97, 612	2, 390								
July.....	121, 733	6, 418	93, 528	1, 874								
August.....	127, 286	6, 571	97, 534	1, 067								
September.....	142, 469	6, 691	109, 519	1, 240								
October.....	135, 068	6, 735	103, 325	1, 894								
November.....	148, 375	6, 990	113, 642	3, 233								
December.....	162, 084	7, 166	126, 294	3, 950								
	169, 015	8, 042	133, 594	4, 273								
Total for 1935.												
January.....	2, 129, 647	114, 663	1, 350, 224	75, 405	\$221, 641	\$25, 958	\$6, 364					\$2, 541
February.....	186, 972	8, 478	148, 437	5, 021								
March.....	178, 286	8, 662	135, 634	6, 655								
April.....	178, 431	8, 798	137, 350	10, 886								
May.....	177, 726	9, 051	133, 302	14, 874								
June.....	162, 840	9, 213	130, 600	14, 062								
July.....	162, 903	9, 351	117, 685	10, 954								
August.....	163, 303	9, 404	118, 898	9, 101								
September.....	169, 321	9, 590	110, 364	3, 371	4, 883	1, 642						
October.....	157, 371	9, 938	92, 843	1, 586	15, 345	3, 641						
November.....	175, 491	10, 221	95, 007	872	30, 142	5, 490						
December.....	190, 477	10, 548	75, 855	724	60, 627	6, 947						
	221, 304	10, 859	54, 889	299	110, 643	7, 657						
Total for 1936.												
January.....	2, 619, 740	217, 379	436, 793	127	1, 448, 859	152, 759	25, 900	\$25, 166				20, 366
February.....	227, 179	11, 426	47, 915	38	124, 277	8, 371	2, 416	156				2, 788
March.....	232, 046	12, 452	46, 854	15	120, 421	8, 825	2, 793	901				2, 597
April.....	237, 190	13, 069	44, 555	13	135, 885	10, 763	2, 986	1, 890				3, 151
May.....	224, 372	14, 211	40, 069	11	126, 699	13, 070	3, 190	2, 563				2, 014
June.....	215, 640	14, 638	34, 977	13	118, 237	15, 755	3, 554	2, 320				1, 307
July.....	205, 516	15, 900	33, 184	13	113, 192	15, 217	1, 842	2, 705				1, 945
August.....	200, 583	18, 415	30, 790	10	109, 956	14, 114	(11)	2, 239				563
September.....	204, 148	19, 098	29, 629	7	113, 253	14, 470	7	2, 260				895
October.....	207, 273	21, 615	30, 006	3	116, 670	14, 219	342	2, 366				1, 149
November.....	220, 247	23, 523	30, 675	2	122, 365	14, 260	2, 516	2, 406				1, 367
December.....	224, 652	26, 048	31, 966	1	124, 350	12, 320	3, 122	2, 437				1, 416
	219, 854	26, 743	36, 273	1	114, 584	11, 375	3, 132	2, 027				1, 174

Total for 1937.....											
January.....	213,815	307,944	406,522	1,100,267	94,026	24,268	28,153	245,643	35,806		
February.....	218,399	28,887	37,171	103,922	8,652	2,967	2,682	24,485	13,484		
March.....	215,715	30,270	39,171	106,188	8,153	3,227	2,830	24,188	13,765		
April.....	217,715	31,740	39,719	106,804	8,804	3,316	2,812	21,235	13,562		
May.....	207,587	31,740	39,719	104,889	10,280	3,442	2,780	21,625	13,260		
June.....	195,547	31,471	38,222	98,810	10,945	1,992	2,811	18,334	13,071		
July.....	177,795	33,031	39,027	88,525	7,505	0	2,132	19,334	13,416		
August.....	171,474	34,054	39,969	77,861	6,915	(U)	2,035	19,326	1,346		
September.....	168,488	35,558	39,263	76,386	6,709	1,599	1,869	16,312	1,107		
October.....	173,656	36,633	39,738	76,650	6,411	1,977	1,850	18,379	1,306		
November.....	182,467	38,005	33,988	77,945	5,984	1,977	1,943	20,876	1,779		
December.....	194,275	39,381	41,260	81,816	5,462	2,056	2,079	19,912	2,270		
Total for 1938.....	2,965,705	509,369	477,789	1,622,417	78,103	19,454	35,798	220,166	22,602		
January.....	200,200	40,067	46,532	88,313	4,917	1,996	2,105	19,940	2,210		
February.....	217,220	40,571	47,313	96,050	5,014	2,166	2,323	19,309	2,474		
March.....	234,653	41,276	47,569	114,212	6,116	2,208	2,367	18,336	2,579		
April.....	242,651	41,473	41,287	125,537	8,081	2,247	2,380	18,311	2,826		
May.....	247,309	41,780	37,601	131,807	10,950	2,378	2,672	18,014	2,157		
June.....	255,272	41,819	36,941	139,544	13,383	1,533	3,122	17,174	1,766		
July.....	252,222	42,401	36,341	144,324	4,710	0	3,210	19,848	1,268		
August.....	263,615	42,886	36,287	154,869	4,713	6	3,270	20,334	1,120		
September.....	261,507	43,335	34,885	154,424	4,709	194	3,394	18,767	1,231		
October.....	270,438	43,839	34,885	159,559	4,915	1,920	3,461	20,367	1,492		
November.....	273,731	44,446	36,433	159,748	4,894	2,391	3,602	20,514	1,703		
December.....	270,977	45,408	41,147	152,000	4,800	2,416	3,692	19,252	2,262		

¹ This table brings up to date the series published previously by the Social Security Board. Figures include all public relief extended to cases, with the exception of the transient program, but do not represent the total cost of any program because they do not include the cost of administration and the cost of materials, equipment, and other items for work projects. Figures are partly estimated and subject to revision.

² Figures for January 1933-January 1936 represent payments from State and local funds only. Figures for subsequent months represent payments from Federal, State, and local funds in States administering public assistance under the Social Security Act and payments from State and local funds in States not participating under the act.

³ Figures for January 1933-March 1937 from the WPA, Division of Statistics and Economic Research. Figures for 1933-35 include only obligations incurred for emergency relief to cases under the general relief program of the FERA but do not include general relief extended by local authorities from public funds under the poor laws. Since January 1936 these amounts have been included.

⁴ Figures from the WPA, Division of Statistics and Economic Research, include relief extended under the FERA for emergency education, student aid, and rural rehabilitation.

⁵ Figures from the WPA, Division of Statistics and Economic Research.

⁶ Includes earnings of persons employed on projects financed by the Emergency Relief Appropriation Acts of 1935, 1936, and 1937, and the Public Works Administration Extension Act of 1937; and, beginning July 1938, earnings of persons employed on Farm Security Administration projects and on projects of other Federal agencies operating with WPA allocations under the Emergency Relief Appropriation Act of 1938.

⁷ Includes NYA work projects and Young Women's Educational Camps.

⁸ Figures estimated by the CCC by multiplying the average monthly number of persons enrolled by an average of \$70 per month. This average amount is based upon the amount of obligations incurred for cash allowances and for clothing, shelter, subsistence, and medical care of persons enrolled, and for certain other items. From Apr. 8, 1935, to June 30, 1936, this program was known as Emergency Conservation Work and was financed by the WPA. Since July 1936 it has been financed by separate appropriations.

⁹ Figures represent earnings of persons previously receiving relief estimated arbitrarily by the WPA as 50 percent of the total amount of obligations incurred for earnings from Federal funds under the Civil Works Program.

¹⁰ Figures from the Farm Security Administration, Rural Rehabilitation Division (formerly the Resettlement Administration), represent the amount of grant payments certified to farmers.

¹¹ Less than \$1,000.

¹² For administrative reasons, some payments which would have been certified in December 1936 and February 1937 were not certified until January and March 1937, respectively.

Table 3.—Recipients of public relief in the continental United States, by months, January 1933–December 1938 1

[In thousands]

Year and month	Estimated unduplicated number receiving public relief		Recipients of special types of public assistance				Cases receiving general relief	Recipients of relief under special programs of the Federal Emergency Relief Administration	Persons certified as in need of relief employed on work projects				Persons enrolled in Civilian Conservation Corps	Farmers for whom subsistence payments were certified	
	Households	Persons in these households	Old-age assistance	Aid to dependent children		Aid to the blind			Works Progress Administration	Other Federal agencies	National Youth Administration				
				Families	Children						Student aid	Work projects			
1933															
January			116	112	280	25	4,290								
February			116	108	270	24	4,610								
March			112	113	283	24	5,060								
April			110	111	278	25	4,914							21	
May			109	111	278	24	4,723							91	
June			108	108	270	24	4,191							243	
July			106	109	272	25	3,908							204	
August			105	110	275	24	3,761							286	
September			105	111	277	24	3,405							274	
October			104	111	277	25	3,445	(u) 2						222	
November			105	111	277	24	3,827	10						289	
December			107	112	285	25	3,068							290	
1934															
January			123	110	275	27	2,928	26						297	
February			123	109	272	26	3,088	65						293	
March			125	111	277	26	3,003	93						268	
April			125	109	272	27	4,355	90						256	
May			128	110	275	26	4,337	98						294	
June			130	109	272	29	4,261	70						284	
July			134	110	275	32	4,356	39						316	
August			141	110	275	31	4,576	44						327	
September			145	109	272	31	4,620	122						330	
October			164	111	277	33	4,649	166						350	
November			164	111	277	32	4,821	183						352	
December			206	113	280	33	5,078	203						330	
1935															
January			240	108	270	33	5,276	214						358	
February			256	107	267	32	5,240	233						347	
March			263	108	270	32	5,172	322						306	
April			274	110	275	33	5,013	348						293	
May			281	110	275	32	4,842	346						338	
June			293	108	270	33	4,534	288						331	
July			302	110	275	34	4,369	28	70	12				401	
August			314	110	275	33	4,218	32	238	73				481	
September			326	110	275	33	3,908	25	433	101	35			483	
October			347	112	280	35	3,722	19	739	129	184			459	
November			359	113	282	34	3,462	17	2,352	145	234			480	6
December			378	117	286	35	2,608	8	2,627	156	283			459	130
1936															
January			432	123	305	37	2,216	(u) 16	2,798	185	306	16	426	151	
February			473	132	328	41	2,135	(u) 75	2,899	200	351	75	403	139	
March			505	132	328	43	2,010	(u) 157	2,734	227	380	157	355	172	
April			571	144	350	42	1,829	(u) 174	2,443	267	405	174	322	108	
May			607	149	360	43	1,657	(u) 176	2,220	258	398	176	346	86	
June			650	156	382	44	1,553	(u) 215	2,136	278	215	176	336	62	
July			788	157	388	42	1,448	(u) 157	2,129	255	255	157	350	41	
August			807	134	330	43	1,430	(u) 61	2,254	253	(u) 2	154	338	60	
September			899	140	346	44	1,387	(u) 77	2,350	276	63	159	298	77	
October			973	154	379	44	1,394	(u) 341	2,445	245	341	158	330	88	
November			1,034	158	389	45	1,403	(u) 328	2,548	236	399	165	343	93	
December			1,106	160	401	45	1,508	(u) 328	2,071	211	411	170	328	113	

1937

January.....	5,500	18,100	1,150	166	411	47	1,650	171	417	177	329	11,335
February.....	5,500	17,500	1,200	171	422	48	1,723	173	440	184	345	11,329
March.....	5,500	17,500	1,200	183	431	48	1,723	174	440	184	345	11,329
April.....	5,500	17,500	1,200	183	431	48	1,723	174	440	184	345	11,329
May.....	5,500	17,500	1,200	183	431	48	1,723	174	440	184	345	11,329
June.....	5,500	17,500	1,200	183	431	48	1,723	174	440	184	345	11,329
July.....	5,500	17,500	1,200	183	431	48	1,723	174	440	184	345	11,329
August.....	5,500	17,500	1,200	183	431	48	1,723	174	440	184	345	11,329
September.....	5,500	17,500	1,200	183	431	48	1,723	174	440	184	345	11,329
October.....	5,500	17,500	1,200	183	431	48	1,723	174	440	184	345	11,329
November.....	5,500	17,500	1,200	183	431	48	1,723	174	440	184	345	11,329
December.....	5,500	17,500	1,200	183	431	48	1,723	174	440	184	345	11,329

1938

January.....	5,500	17,500	1,200	234	578	57	1,903	90	309	140	285	109
February.....	5,500	17,500	1,200	241	594	59	2,007	100	317	146	276	120
March.....	5,500	17,500	1,200	247	606	61	2,007	126	327	149	262	126
April.....	5,500	17,500	1,200	252	621	60	1,828	180	333	153	262	117
May.....	5,500	17,500	1,200	256	630	62	1,706	214	325	173	257	112
June.....	5,500	17,500	1,200	258	638	62	1,660	216	217	202	238	93
July.....	5,500	17,500	1,200	260	641	63	1,624	117	0	207	254	70
August.....	5,500	17,500	1,200	266	652	64	1,582	90	2	210	290	62
September.....	5,500	17,500	1,200	269	660	65	1,525	94	44	213	288	69
October.....	5,500	17,500	1,200	271	665	65	1,496	94	311	212	261	79
November.....	5,500	17,500	1,200	275	673	66	1,521	94	390	222	263	89
December.....	5,500	17,500	1,200	278	680	66	1,629	92	364	227	275	115

¹ This table brings up to date the series published previously by the Social Security Board. Figures do not include transient cases or the number of persons employed under the Civil Works Program. Figures are partly estimated and subject to revision.
² Total number of different households receiving public relief not estimated for months prior to July 1936 because of lack of information regarding duplication.
³ Includes not only recipients of public assistance under the Social Security Act but also recipients of similar types of assistance in States not participating under the act.
⁴ Figures for January 1933-March 1937 from the WPA, Division of Statistics and Economic Research. Figures for 1933-35 include only cases receiving emergency relief under the general relief program of the FERA. Beginning with 1936, general relief extended to cases includes that extended by local authorities from public funds under the poor laws.
⁵ Figures from the WPA, Division of Statistics and Economic Research, include cases receiving relief extended under the FERA for emergency education, student aid, and rural rehabilitation.

⁶ Figures from the WPA, Division of Statistics and Economic Research.
⁷ Includes persons employed on projects financed by the Emergency Relief Appropriation Act of 1935, 1936, and 1937, and the Public Works Administration Extension Act of 1937; and, beginning July 1938, persons employed on Farm Security Administration projects and on projects of other Federal agencies operating with WPA allocations under the Emergency Relief Appropriation Act of 1938.
⁸ Figures are averages computed by the CCC.
⁹ Figures from the Farm Security Administration, Rural Rehabilitation Division (formerly the Resettlement Administration), represent the number of emergency grant vouchers certified to farmers. Ordinarily only 1 grant voucher per farmer is certified per month.
¹⁰ Less than 1,000 persons.
¹¹ For administrative reasons, some payments which would have been certified in December 1936 and February 1937 were not certified until January and March 1937, respectively.

assistance continued to increase steadily throughout 1938 and amounted to \$509 million for the year, or 17 percent of all relief payments. In 1938 aid to the special groups of unemployables comprised the second largest portion of the total relief burden, exceeding by a small margin the share represented by general relief payments. Payments for aid to dependent children expanded somewhat more rapidly than payments to the aged. Old-age assistance payments amounted to \$393 million in 1938, 26.5 percent more than in 1937. Expenditures for aid to dependent children increased 36.6 percent, from \$71 million in 1937 to \$97 million in 1938.

General relief payments amounted to \$478 million in 1938, \$71 million above the 1937 expenditures for this type of assistance. Payments for general relief represented 15.9 percent of all public relief—a slightly smaller share than in 1937 despite the substantial increase in the amount of obligations incurred.

Adjusted earnings of CCC enrollees decreased from \$246 million in 1937 to \$230 million in 1938. Such earnings comprised a smaller part of the total relief bill than in any other year of the period.

An important development in 1938 which influenced to some extent the trend of relief expenditures was the payment of unemployment compensation in 31 States. Benefit payments, based on right rather than need, totaled about \$394 million in these 31 States during 1938. Although by no means all the workers who received unemployment benefits would have applied for relief had such benefits not been available, the relief burden would undoubtedly have been greater in 1938 if the unemployment compensation program had not been in operation.

Recipients of Relief

The incidence of the need for relief among the total population in the years 1933-38 is not accurately reflected by the trend in relief expenditures, because, during these years, there was a substantial rise in the level and adequacy of relief payments to families and individuals.

Unfortunately it is extremely difficult to compile satisfactory data on the total number of households and persons receiving public aid. The monthly data on recipients of relief under the various programs shown in table 3 cannot be added to obtain a composite case-load series, be-

cause the units of count are not homogeneous under the different programs and there is duplication among the several programs.

The general relief "case" may be a person, family, or other group of persons treated by the relief agency as a unit; for aid to dependent children the unit of count is the family; and under relief programs providing employment to needy persons the individual is counted. Duplication in case counts occurs not only when a family receives assistance from two or more relief agencies concurrently but also results whenever cases are transferred from one program or type of assistance to another during a month. Duplication arising from the latter source has been greatest during periods of transition from one major program to another.

Summary, 1933-38

To sum up, the annual public relief bill increased from about \$1 billion in 1933 to almost \$3 billion in 1938. In only 1 year, 1937, were relief payments below the level of the preceding year. Relief payments per inhabitant moved upward from about \$8 in 1933 to more than \$20 in 1936, declined to about \$18 in 1937, and rose to a new peak of more than \$23 in 1938.

Developments in administrative policy and changes in the emphasis placed on different types of relief programs divide the 6 years into two broad periods. The first, from 1933 through 1935, was characterized by the predominance of the general relief program. In the years 1933-35 all relief payments amounted to \$4.9 billion. General relief payments accounted for 65.1 percent; relief earnings on work programs (the CCC, CWA, and the Federal Works Program) for 27.4 percent; assistance to the aged, dependent children, and the blind for 5.4 percent; and all other relief payments for 2.1 percent.

In the years 1936-38 wage assistance under work programs predominated in relief expenditures, increasing emphasis was placed on the special types of public assistance, and general relief represented a much smaller share of the total relief burden. During this period relief payments totaled over \$7.9 billion. Wage assistance under work programs and the CCC program comprised 68.2 percent of the total; general relief 16.6 percent; assistance to the aged, dependent children, and the blind 14.2 percent; and emergency subsistence payments to farmers 1.0 percent.

RATIO OF RELIEF PAYMENTS TO TOTAL INCOME PAYMENTS IN 1938

Estimates of monthly income payments prepared by the Department of Commerce show that in 1938 payments from public funds for direct and work relief represented 5 percent of total income payments in the United States.³

Total income payments per inhabitant, based on the estimated total population as of July 1, 1937, amounted to \$497 in 1938 as compared with \$534 in 1937. Relief payments per inhabitant increased from about \$21 in 1937 to almost \$25 in 1938.

The types of relief payments included in work and direct relief are given in footnotes 1 and 2 of table 4. The amount of work-relief payments shown in table 4 is not strictly comparable to the work-relief earnings shown in table 2, because the latter excludes earnings of noncertified persons employed on work-relief projects.

³ For data on income payments for 1929-37, see *Social Security Bulletin*, Vol. 2, No. 1 (January 1939), pp. 33-35.

Table 4.—Estimated income payments in the United States, by type of income payment, 1938

[In millions of dollars]

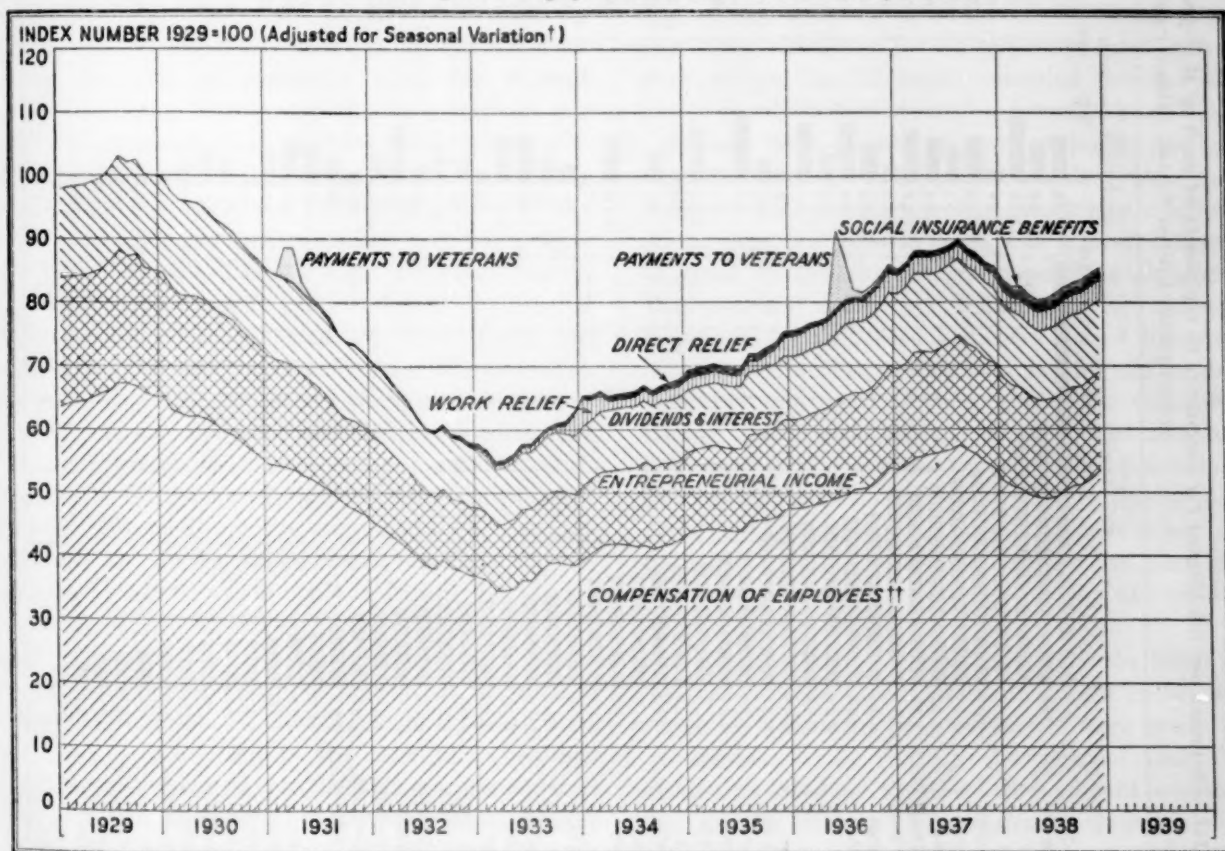
Type of income payment	1938	
	Amount	Percentage distribution
Total.....	\$64,184	100.0
Compensation of employees.....	39,869	62.1
Entrepreneurial income.....	12,348	19.2
Dividends and interest.....	8,186	12.8
Payments to veterans.....	57	.1
Relief payments.....	3,221	5.0
Direct relief ¹	1,005	1.6
Work relief ²	2,216	3.4
Insurance benefits.....	503	.8

¹ Includes payments for general relief other than work relief; payments to recipients of old-age assistance, aid to dependent children, and aid to the blind; and emergency subsistence payments to farmers by the Farm Security Administration.

² Includes relief and nonrelief earnings under work programs of the Works Progress Administration, National Youth Administration, and other Federal agencies; earnings of enrolled and nonenrolled persons in the Civilian Conservation Corps; and earnings on State and local work-relief projects.

Source: U. S. Department of Commerce, Division of Economic Research, National Income Section.

Chart II.—Index of income payments in the United States, 1929-38

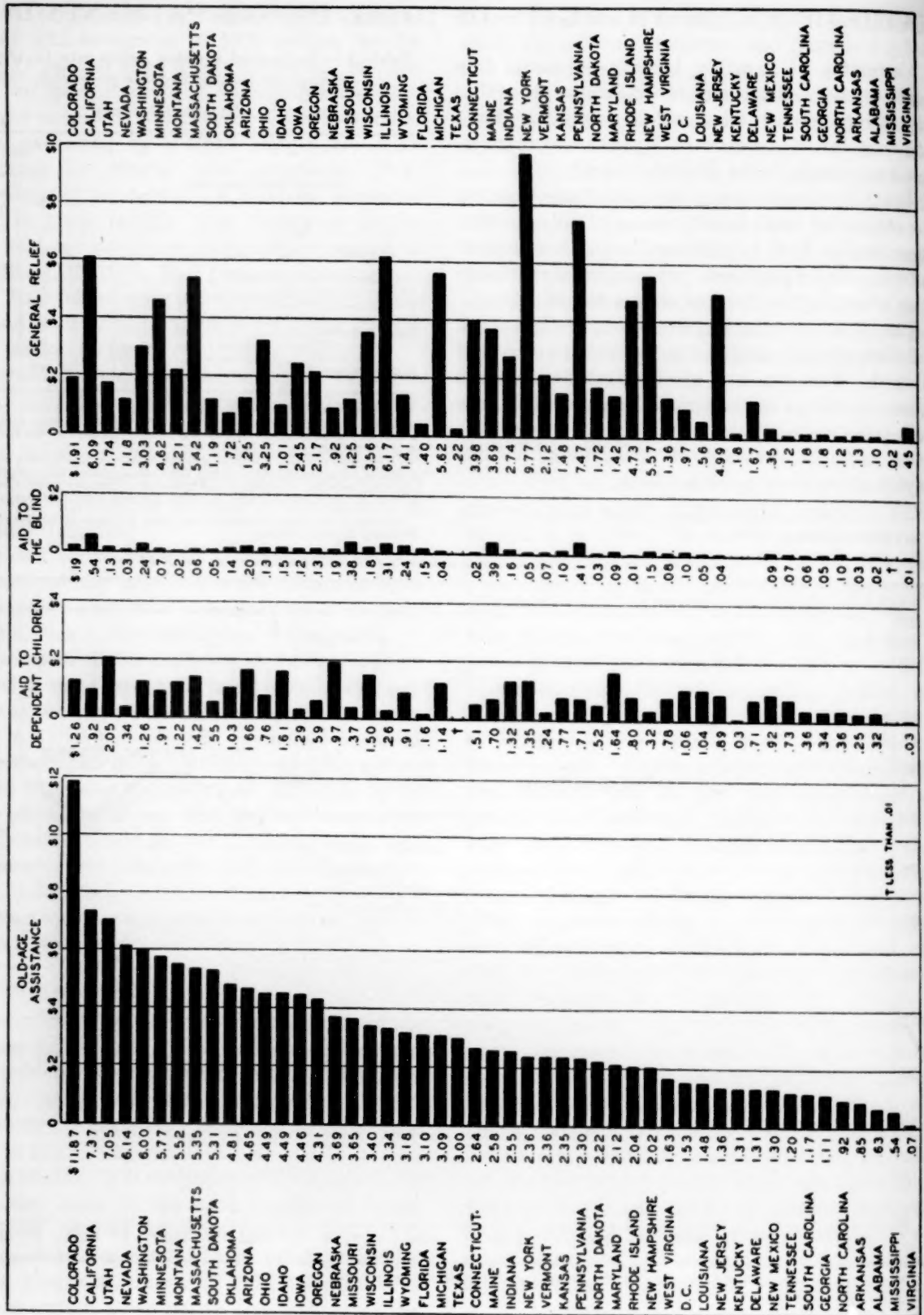


[†] Work relief, direct relief, social insurance benefits, and payments to veterans not adjusted for seasonal variation.

^{††} Excluding work relief.

Prepared by: U. S. Department of Commerce, Division of Economic Research, National Income Section.

Chart III.—Amount per inhabitant for payments to recipients of each of the special types of public assistance and to general relief cases in the continental United States, calendar year 1938 (see table 5)



PAYMENTS PER INHABITANT FOR THE SPECIAL TYPES OF PUBLIC ASSISTANCE AND GENERAL RELIEF IN 1938

Total payments for the different types of public aid in the several States cannot readily be compared because of the extreme variation in the size of State populations. Comparisons between States are, therefore, greatly facilitated by expressing total expenditures in terms of the amount spent per inhabitant. Payments per inhabitant for general relief in the continental United States in 1938 amounted to \$3.70, for old-age assistance to \$3.04, for aid to dependent children to 75 cents, and for aid to the blind to 15 cents. (See table 5.) These national rates, however, in no way indicate the great variation from State to State. State rates are influenced not only by the extent of need and State and local financial resources, but also by the length of time the various programs have been in operation.

In the country as a whole the amount per inhabitant expended for general relief was above that spent for old-age assistance, but in a great majority of the States larger amounts per inhabitant were spent for old-age assistance than for general relief, and in a number of States payments per inhabitant for aid to dependent children were also larger. The national average of \$3.70 per inhabitant for general relief was heavily weighted by the relatively large payments in relation to population for this type of aid in the most populous States.

The highest amount per inhabitant for general relief—\$9.77—was recorded for New York, the State ranking first in population. Pennsylvania and Illinois, the second and third most populous States, were in the same order with respect to the amounts spent per inhabitant for general relief. In only 11 States was the general relief expenditure per inhabitant above the amount for the country as a whole. In 16 States it was less than \$1; the smallest amount was 2 cents in Mississippi.

In 35 of the 49 States⁴ the amount expended per inhabitant for old-age assistance was larger than the amount spent per inhabitant for general relief in the State. Chart III, in which the States are ranked according to the amount of old-age assistance payments per inhabitant, shows that the range in the rates for this type of assistance was from 7 cents in Virginia, where payments were made only for the last 4 months of 1938, to \$11.87

in Colorado. Twenty-two States exceeded the national average of \$3.04.

In five States—California, Illinois, Massachusetts, Michigan, and Minnesota—in which general relief payments per inhabitant were above the national level the amounts for old-age assistance were also above the average for all States.

In five States the expenditure per inhabitant for old-age assistance was less than \$1. All these States—Alabama, Arkansas, Mississippi, North Carolina, and Virginia—also spent less than \$1 per inhabitant for general relief. On the other hand, in three States—Florida, Nebraska, and Oklahoma—where less than \$1 per inhabitant was spent for general relief, expenditures for old-age assistance exceeded the national figure of \$3.04.

The amounts spent per inhabitant for aid to dependent children varied from less than 1 cent in Texas, in which only one county granted this type of aid, to \$2.05 in Utah. In 25 States payments per inhabitant for aid to dependent children were above the 75 cents recorded for the 48 States in which this type of aid was granted.

Fifteen States spent larger amounts per inhabitant for aid to dependent children than for general relief, although in the country as a whole the amount for general relief was almost 5 times as great as that for aid to dependent children. The amount spent per inhabitant for old-age assistance for all States was more than 4 times as large as the corresponding amount for aid to dependent children, but there was great variation among the States with respect to the relative amounts spent for these two types of assistance. In the District of Columbia, Louisiana, Maryland, and New Mexico the amount of payments per inhabitant for old-age assistance was less than 50 percent greater than the amount for aid to dependent children.

Payments per inhabitant for aid to the blind in 46 States ranged from less than 1 cent in Mississippi, in which the first payments were made in November, to 54 cents in California. Only 14 States equaled or exceeded the 15-cent average for all 46 States. The national average was greatly affected by the large amounts expended in the populous States of California, Illinois, Missouri, and Pennsylvania.

⁴ Includes the District of Columbia.

Table 5.—Amount of obligations incurred for payments to recipients of the special types of public assistance and to cases of general relief in the continental United States, and amount per inhabitant, by States, calendar year 1933¹

[Data reported by State agencies, corrected to Jan. 25, 1939]

Region ² and State	Obligations incurred for payments (in thousands of dollars)—				Amount per inhabitant ³ for—			
	To recipients of—			To cases of general relief	Old-age assistance	Aid to dependent children	Aid to the blind	General relief
	Old-age assistance	Aid to dependent children	Aid to the blind					
Total	\$392,874	\$97,333	\$19,162	\$477,789	\$3.04	\$0.75	\$0.15	\$3.70
Region I:								
Connecticut.....	4,599	888	32	6,927	2.64	.51	.02	3.96
Maine.....	2,206	604	335	3,157	2.58	.70	.39	3.69
Massachusetts.....	23,677	6,288	270	23,993	5.35	1.42	.06	6.82
New Hampshire.....	1,031	162	76	2,842	2.62	.32	.15	3.07
Rhode Island.....	1,388	542	6	3,220	2.04	.80	.01	4.73
Vermont.....	903	91	28	810	2.36	.24	.07	2.12
Region II:								
New York.....	30,551	17,448	706	126,551	2.36	1.35	.05	9.77
Region III:								
Delaware.....	343	185	—	437	1.31	.71	—	1.67
New Jersey.....	5,904	3,865	154	21,068	1.36	.89	.04	4.99
Pennsylvania.....	23,359	7,265	4,178	75,979	2.30	.71	.41	7.47
Region IV:								
District of Columbia.....	957	663	65	659	1.53	1.06	.10	.97
Maryland.....	3,558	2,745	180	2,388	2.12	1.64	.09	1.42
North Carolina.....	3,227	1,275	335	417	.92	.36	.10	.12
Virginia.....	196	81	20	1,220	.07	.03	.01	.45
West Virginia.....	3,040	1,464	155	2,536	1.63	.78	.08	1.36
Region V:								
Kentucky.....	3,826	98	—	534	1.31	.03	—	.18
Michigan.....	14,923	5,524	177	27,139	3.09	1.14	.04	5.62
Ohio.....	39,199	5,088	895	21,869	4.49	.76	.13	3.28
Region VI:								
Illinois.....	26,329	2,016	2,456	48,598	3.34	.26	.31	6.17
Indiana.....	8,847	4,587	546	9,528	2.55	1.32	.16	2.74
Wisconsin.....	9,937	4,394	522	10,421	3.40	1.50	.18	3.56
Region VII:								
Alabama.....	1,830	929	49	283	.63	.32	.02	.10
Florida.....	5,170	267	248	663	3.10	.16	.15	.40
Georgia.....	3,414	1,048	144	557	1.11	.34	.05	.18
Mississippi.....	1,084	—	5	48	.54	—	(⁴)	.02
South Carolina.....	2,193	681	105	340	1.17	.36	.06	.18
Tennessee.....	3,461	2,112	208	333	1.20	.73	.07	.12
Region VIII:								
Iowa.....	11,394	744	297	6,265	4.46	.29	.12	2.45
Minnesota.....	15,313	2,414	181	12,242	5.77	.91	.07	4.62
Nebraska.....	5,039	1,324	138	1,258	3.69	.97	.10	.92
North Dakota.....	1,565	371	23	1,211	2.22	.52	.03	1.72
South Dakota.....	3,675	380	36	823	5.31	.55	.05	1.19
Region IX:								
Arkansas.....	1,747	508	64	264	.85	.25	.03	.13
Kansas.....	4,372	1,434	193	2,753	2.35	.77	.10	1.48
Missouri.....	14,599	1,474	1,540	4,972	3.65	.37	.38	1.25
Oklahoma.....	12,260	2,636	363	1,841	4.81	1.03	.14	.72
Region X:								
Louisiana.....	3,151	2,211	103	1,200	1.48	1.04	.05	.56
New Mexico.....	549	387	36	149	1.30	.92	.09	.35
Texas.....	18,506	12	—	1,380	3.00	(⁴)	—	.22
Region XI:								
Arizona.....	1,914	683	80	514	4.65	1.66	.20	1.25
Colorado.....	12,707	1,346	201	2,044	11.87	1.26	.19	1.91
Idaho.....	2,215	793	76	499	4.49	1.61	.15	1.61
Montana.....	2,977	656	12	1,193	5.52	1.22	.02	2.21
Utah.....	3,657	1,063	68	902	7.05	2.05	.13	1.74
Wyoming.....	747	214	57	331	3.18	.91	.24	1.41
Region XII:								
California.....	45,366	5,638	3,297	37,500	7.37	.92	.54	6.09
Nevada.....	620	34	3	119	6.14	.34	.03	1.18
Oregon.....	4,427	603	131	2,233	4.31	.59	.13	2.17
Washington.....	9,952	2,098	396	5,029	6.00	1.26	.24	3.03

¹ These figures do not represent the total cost of any program because they do not include administrative expense and the expense for hospitalization and burials. Figures are partly estimated and subject to revision.

² Social Security Board administrative regions.

³ Based on total population estimated by the U. S. Bureau of the Census as of July 1, 1937.

⁴ Figures represent payments from Federal, State, and local funds in States administering this program under the Social Security Act, and payments from State and local funds only in States not participating under the act.

⁵ Less than 1 cent.

STATISTICS FOR THE UNITED STATES FOR DECEMBER 1938

The total bill for public relief in the continental United States for December 1938 was \$271 million, or about 1 percent less than the revised total for November 1938 and 39.5 percent higher than for December 1937. Figures reported for December 1938 are preliminary and subject to revision. It is estimated that approximately 6.5 million households, including 20.9 million persons, received assistance for the month.

Obligations incurred for payments to recipients of the three special types of public assistance—old-age assistance, aid to dependent children, and aid to the blind—amounted to \$45.4 million, an increase of almost \$1 million or 2.2 percent over November. General relief cases received \$41.1 million for December 1938, representing an increase of \$4.7 million or almost 13 percent over the previous month. Estimated earnings of persons in need of relief on work projects of the WPA amounted to \$152 million, a decline of \$7.7 million or 4.9 percent. Adjusted earnings of persons enrolled in the CCC amounted to \$19.3 million, a decline of 6.2 percent from the previous month. Adjusted earnings are estimates based upon obligations incurred for cash allowances to enrollees and for food, clothing, shelter, medical care, and other items.

The remaining types of relief—earnings on work projects of Federal agencies other than the WPA, student aid and earnings on work projects under the NYA, and emergency subsistence payments to farmers by the Farm Security Administration—represented less than 5 percent of the total relief bill for December. All but one of these types of aid showed an increase over the preceding month. Emergency subsistence payments to farmers increased 32.8 percent. (See table 2.)

The large increase from December 1937 to December 1938 in all public relief may be accounted for by the increased earnings on work projects of the WPA, which formed 56.1 percent of the total bill for relief in December 1938 and increased 85.8 percent over December 1937. The three special types of public assistance increased 15.3 percent and comprised 16.8 percent of the total relief bill in December 1938 as compared with 20.3 percent in December 1937. The amounts of obligations for general relief were practically the same in December of both years. In December 1937 general relief formed about one-fifth of the total, and in December 1938 about one-sixth.

It is estimated, on the basis of reports from 12 States shown in table 6, that in December 1938 there were about 3.4 million households receiving

Table 6.—Number of households receiving one or more of the special types of public assistance and/or general relief, and percent of duplication in the case count in 12 States, December 1938

State	Number of households receiving one or more of the special types of public assistance and/or general relief	Recipients of the special types of public assistance and cases receiving general relief					Percent of duplication in reported number of cases
		Total	Old-age assistance	Aid to dependent children (families)	Aid to the blind	General relief	
Total.....	299, 471	327, 026	180, 586	46, 306	5, 392	94, 742	8. 4
1. Arizona.....	11, 551	12, 491	6, 811	2, 010	299	3, 371	7. 5
2. Idaho.....	13, 769	14, 642	8, 869	2, 689	300	1, 784	6. 0
3. Louisiana.....	44, 536	46, 929	28, 251	9, 745	751	8, 182	5. 1
4. Maryland.....	30, 976	35, 028	17, 337	7, 692	625	10, 374	14. 0
5. Montana.....	18, 649	20, 892	12, 534	2, 091	99	6, 168	10. 7
6. New Mexico.....	6, 885	6, 942	3, 811	1, 503	199	1, 429	. 8
7. North Dakota.....	13, 615	15, 065	7, 851	1, 245	109	5, 860	9. 6
8. South Carolina.....	30, 448	30, 818	23, 160	4, 083	862	2, 713	1. 2
9. Utah.....	17, 795	20, 038	13, 368	2, 935	200	3, 535	11. 2
10. Washington.....	60, 839	70, 192	37, 610	5, 788	1, 032	25, 762	13. 3
11. West Virginia.....	44, 636	46, 857	17, 978	5, 940	754	22, 185	4. 7
12. Wyoming.....	5, 772	6, 132	3, 006	585	162	2, 379	5. 9

¹ Does not include a relatively small number of cases receiving general relief from local funds.

² Does not include 216 cases receiving aid from county indigent funds.

³ Does not include 65 cases receiving general relief administered by local public agencies.

one or more of the special types of public assistance, general relief, or a combination of general relief and one or more of the special types of public assistance.

GENERAL RELIEF

It is estimated that during December 1938 general relief amounting to \$41.1 million was extended to 1.6 million cases in the continental United States. These obligations do not include the expense of administering general relief, nor do they include the cost of nonrelief items, of special programs, or of hospitalization and burials. The term "case" may represent a single person, a family, or a household.

In the 39 States for which actual figures were reported, 1.4 million cases received \$36.1 million during December. These figures represent increases from November in the number of cases and in the amount of obligations of 7.6 percent and 11.9 percent, respectively. In 11 States the amount of obligations incurred increased more than 20 percent from November to December. In three of these States, North Carolina, Washington, and Wyoming, there was also an increase of more than 20 percent in the number of cases.

For December 1938 as compared with December 1937 there was an increase of 1.1 percent in the number of general relief cases and a decline of 1.3 percent in the amount of obligations.

SPECIAL TYPES OF PUBLIC ASSISTANCE

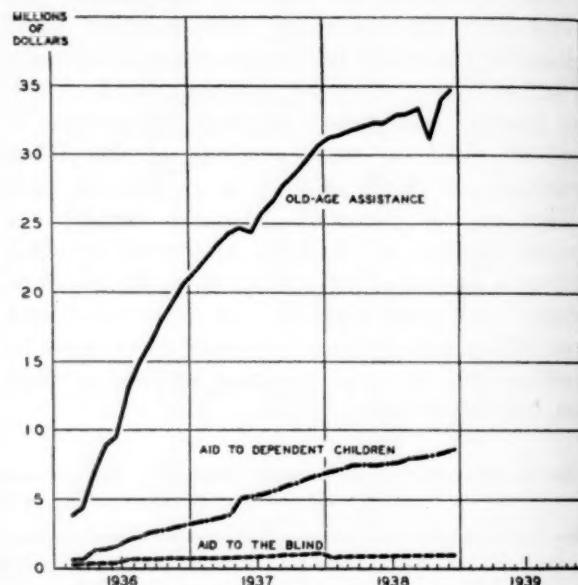
In December 1938 obligations incurred for payments to recipients of the special types of public assistance in the 48 States, the District of Columbia, Alaska, and Hawaii amounted to \$45.5 million, an increase of 15.3 percent over December 1937. This amount includes payments in States with plans approved by the Social Security Board and payments under State laws without Federal financial participation. The three special types of public assistance constituted 16.8 percent of the total relief bill for December 1938 in the continental United States, as compared with 20.3 percent for December 1937.

Of the total of \$45.5 million spent in December 1938, \$44.5 million or almost 98 percent was disbursed in States with plans approved by the Social Security Board. Of this \$44.5 million, \$34.9

million was expended for payments to 1.8 million recipients of old-age assistance; \$8.6 million for payments to 264,800 families in behalf of 650,400 dependent children; and \$1 million for payments to 42,800 recipients of aid to the blind.

Obligations incurred for old-age assistance, by far the largest part of the total for each of the 12 months, declined in June and in October. The first decline resulted from suspension of payments in Kentucky and the second resulted from withdrawal of Federal funds in Ohio. Old-age assistance payments increased about 12 percent for December 1938 as compared with January of that year. The rise in the amount of obligations in-

Chart IV.—Public assistance in States with plans approved by the Social Security Board, February 1936–December 1938



curring for aid to dependent children and for aid to the blind was continuous throughout 1938; under each of these programs obligations for December 1938 were almost one-fourth higher than those for January 1938.

Total obligations of slightly more than \$1 million were incurred for December 1938 for payments to recipients of aid to dependent children and aid to the blind in States without plans approved by the Social Security Board. Approximately two-thirds of the \$1 million was paid to 23,700 recipients of aid to the blind in 5 States; the remainder was paid to 14,200 families in behalf of 33,100 children in 7 States.

Old-Age Assistance

During December there were increases of almost 1 percent in the number of recipients and of approximately 2 percent in the amount of obligations incurred for old-age assistance. Virginia, whose old-age assistance program is in its initial phase, was the only State in which there was a sharp

increase during December in both the number of recipients and the amount of obligations. In Arkansas obligations increased 45.8 percent, although there was a slight decline in the number of recipients. The payments for October and November were unusually small in this State because funds were low. In Oklahoma the situa-

Table 7.—General relief in the continental United States, by States, December 1938

[Data reported by State agencies, corrected to Jan. 25, 1939]

State	Number of cases receiving relief	Amount of obligations incurred for relief extended to cases ¹	Average per case	Percentage change—			
				From November 1938 in—		From December 1937 in—	
				Number of cases	Amount of obligations	Number of cases	Amount of obligations
Total for continental United States ²	1,629,000	\$41,147,000					
Total for 39 States reporting actual figures.....	1,380,984	36,106,597	\$26.15	+7.6	+11.9	+1.1	+1.3
1. Alabama.....	2,646	24,424	9.23	+4.9	+5.2	+21.6	+38.9
2. Arizona.....	3,371	47,997	14.24	+2.3	+2.7	+42.1	+18.1
3. Arkansas.....	3,773	17,352	4.60	+3.0	+41.2	-7.2	-30.7
4. California.....	107,091	3,231,084	30.17	+15.3	+22.2	+10.2	+13.5
5. Connecticut.....	22,235	580,006	26.36	+3.7	+10.8	+6.6	+3.1
6. Delaware.....	2,239	45,488	20.76	+4.7	+13.0	+45.7	+81.8
7. District of Columbia.....	1,530	39,994	26.14	+6.8	+8.4	-42.5	-40.9
8. Florida.....	8,491	57,185	6.73	-1.8	-2.1	(³)	(³)
9. Georgia.....	7,331	45,118	6.56	+5.6	+10.2	-8.7	-14.7
10. Illinois.....	178,377	4,326,314	24.26	+6.4	+5.5	+2.9	+3.8
11. Indiana.....	57,679	807,290	14.00	+7.9	+13.3	+8.9	-1.5
12. Iowa.....	30,537	538,099	17.62	+15.5	+23.2	-14.2	-22.7
13. Kansas.....	19,894	281,116	14.13	+2.3	+14.6	+6.1	+1.8
14. Louisiana.....	8,182	111,371	13.61	+4.6	+15.0	+15.0	+13.2
15. Maine.....	12,279	287,293	23.40	+11.1	+18.9	(³)	(³)
16. Maryland.....	10,374	247,372	23.85	+12.9	+17.1	+48.4	+60.0
17. Massachusetts.....	65,516	1,922,416	29.34	+5.2	+13.7	-19.8	-24.6
18. Michigan.....	60,105	1,452,935	22.43	+13.8	+23.6	+1.3	-11.4
19. Minnesota.....	44,006	1,150,858	26.15	+12.6	+12.4	-1.7	-12.0
20. Mississippi.....	1,392	3,801	2.73	+43.0	-1	+22.5	-4.8
21. Missouri.....	35,593	490,410	13.78	+10.7	+28.4	-31.8	-1.0
22. Montana.....	6,168	100,040	16.22	+14.8	+25.4	+9.2	+23.4
23. Nebraska.....	9,610	129,558	13.48	+19.3	+28.7	(³)	(³)
24. Nevada.....	696	9,105	13.08	+11.0	+10.9	-7.3	-17.9
25. New Mexico.....	1,645	9,409	5.72	+15.9	+24.5	-34.4	-47.9
26. New York.....	287,816	10,826,173	37.61	+4.8	+8.7	+1.6	-4.9
27. North Carolina.....	6,111	34,926	5.72	+24.3	+26.6	-10.9	-12.1
28. North Dakota.....	5,890	93,838	16.01	+6.5	+8.1	-42.6	-47.4
29. Oregon.....	14,123	221,592	15.69	+12.7	+12.4	+11.4	+8.9
30. Pennsylvania.....	236,937	6,933,446	29.26	+2.3	+9.8	+25.3	+20.3
31. South Carolina.....	2,811	27,354	9.73	+2.4	-2.3	+161.7	+121.7
32. South Dakota.....	5,172	79,447	15.36	+13.4	+12.5	-24.9	-15.7
33. Utah.....	3,535	70,237	19.87	+15.4	+13.5	-21.4	-29.8
34. Vermont.....	3,140	70,909	22.58	+14.7	+18.6	-7.0	-2.6
35. Virginia.....	9,444	87,480	9.26	+6.1	+13.4	-38.2	-23.7
36. Washington.....	25,762	394,194	15.30	+33.7	+46.0	-44.1	-54.4
37. West Virginia.....	22,185	204,103	9.20	+2.4	+2.6	(³)	(³)
38. Wisconsin.....	48,949	1,025,224	20.94	+8.9	+15.7	+9.5	-1.1
39. Wyoming.....	2,379	41,639	17.50	+39.5	+45.7	+60.0	+85.6
Total for 10 States for which figures are estimated ⁴	248,100	5,040,400					
1. Colorado.....	12,900	195,000					
2. Idaho.....	3,100	53,000					
3. Kentucky.....	6,200	46,000					
4. New Hampshire.....	8,950	250,000					
5. New Jersey.....	74,900	1,851,000					
6. Ohio.....	87,300	2,109,000					
7. Oklahoma.....	26,200	90,000					
8. Rhode Island.....	9,600	281,000					
9. Tennessee.....	4,700	29,000					
10. Texas.....	14,250	136,400					

¹ Obligations incurred from State and local funds. Administrative expense, nonrelief expense, and expense for special programs, hospitalization, and burials are not included.

² Partly estimated.

³ Percentage change for 34 States and the District of Columbia reporting comparable data for December 1937 and December 1938.

⁴ Comparable data for December 1937 are not available.

⁵ Estimated by the Social Security Board for all States except New Hampshire, Ohio, Tennessee, and Texas, for which estimates were made by the State agencies.

tion was similar—there was an increase of 30.5 percent in payments and a decline of 0.3 percent in the number of recipients.

For December 1938, as compared with December 1937, there was an increase of approximately 13 percent in both the number of recipients and the amount of obligations for the 50 jurisdictions administering Federal funds in both months.

Aid to Dependent Children

The number of families and the number of children receiving aid to dependent children in the 42 jurisdictions administering plans approved by the Social Security Board increased about 2 percent from November to December; the

amount of obligations increased 2.7 percent. Only two States, Virginia and Florida, reported large increases. In Virginia, where the program has been in operation only 4 months, the increase in each of the three items, families, children, and amount, was approximately 15 percent. In Florida, where payments under an approved plan were made for the first time in September, the increases for the same three items were between 50 and 60 percent.

Increases over December of last year in the 40 States administering approved plans under the Social Security Act in both months amounted to approximately 25 percent in the numbers aided and in the amount of obligations incurred.

Table 8.—Special types of public assistance in States administering plans approved by the Social Security Board, by months, February 1936–December 1938¹

[Data reported by State agencies, corrected to Jan. 15, 1939]

Year and month	Recipients				Obligations incurred for payments to recipients ²			
	Old-age assistance	Aid to dependent children ¹		Aid to the blind	Total	Old-age assistance	Aid to dependent children ¹	Aid to the blind
		Families	Children					
Total for 1936 (11 months).....					\$163,469,270	\$135,925,760	\$21,571,270	\$5,969,240
February.....	247,421	26,670	68,915	12,054	4,644,154	3,752,455	604,662	286,737
March.....	294,075	27,446	70,300	13,099	5,292,303	4,335,522	641,168	315,613
April.....	471,100	56,952	141,582	16,376	8,807,061	7,087,664	1,334,345	385,652
May.....	563,240	61,500	152,082	16,641	10,782,622	8,977,539	1,405,943	319,140
June.....	603,710	69,664	175,144	17,571	11,710,049	9,651,969	1,634,648	423,432
July.....	785,667	89,372	223,001	26,500	15,783,748	13,030,934	2,106,224	646,590
August.....	804,481	83,999	215,024	26,901	17,846,014	14,890,365	2,332,124	623,525
September.....	896,849	91,738	233,795	27,478	19,539,255	16,238,120	2,617,830	683,305
October.....	971,162	105,312	267,016	27,981	21,435,063	17,953,719	2,776,529	704,815
November.....	1,032,645	109,166	277,198	28,456	22,971,245	19,291,619	2,956,849	722,777
December.....	1,103,841	111,914	284,591	28,969	24,614,756	20,715,854	3,160,648	738,254
Total for 1937.....					382,774,905	310,458,427	61,324,095	10,992,383
January.....	1,148,099	117,761	299,757	29,417	25,680,053	21,596,532	3,333,145	750,376
February.....	1,197,950	122,456	310,488	30,117	26,757,537	22,487,263	3,503,164	767,110
March.....	1,255,574	128,690	325,060	30,993	28,110,114	23,575,495	3,746,879	787,740
April.....	1,294,468	134,907	341,083	31,594	29,005,790	24,314,066	3,896,532	795,192
May.....	1,325,664	165,498	406,689	33,734	30,657,022	24,706,663	5,103,776	846,583
June.....	1,290,709	171,410	421,837	35,042	30,527,577	24,413,199	5,239,847	874,531
July.....	1,393,528	175,022	431,626	37,253	32,148,444	25,826,354	5,399,014	922,076
August.....	1,434,233	182,850	432,568	38,624	33,185,212	26,612,223	5,625,035	947,954
September.....	1,468,366	193,696	450,561	40,133	34,831,769	27,859,085	5,938,848	1,033,836
October.....	1,504,992	199,334	495,452	41,204	35,910,634	28,653,932	6,199,639	1,057,063
November.....	1,543,577	204,464	508,419	42,567	37,299,507	29,667,015	6,543,274	1,085,218
December.....	1,579,896	211,721	526,609	43,752	38,661,246	30,746,000	6,794,942	1,119,704
Total for 1938.....					495,165,559	390,852,800	93,334,665	10,978,094
January.....	1,602,733	218,009	541,224	33,621	39,045,305	31,240,404	6,994,595	810,306
February.....	1,626,325	224,737	557,613	35,196	39,509,863	31,459,648	7,203,680	846,535
March.....	1,648,891	231,001	572,585	36,418	40,209,695	31,833,472	7,505,034	871,189
April.....	1,665,108	236,245	585,203	37,240	40,517,351	32,129,300	7,510,792	877,259
May.....	1,680,514	240,079	594,020	38,155	40,778,126	32,374,768	7,518,773	884,585
June.....	1,659,948	243,426	603,345	38,824	40,867,190	32,339,919	7,621,890	906,181
July.....	1,713,263	245,145	607,247	39,678	41,545,026	32,937,746	7,677,630	929,650
August.....	1,722,629	252,352	621,513	40,272	41,957,770	33,027,831	7,986,191	943,748
September.....	1,737,718	255,317	630,012	41,081	42,408,821	33,375,602	8,076,433	956,786
October.....	1,641,194	257,927	634,877	41,531	40,326,464	31,167,532	8,190,801	968,121
November.....	1,769,014	261,600	642,778	42,322	43,518,069	34,111,029	8,423,224	983,816
December.....	1,783,171	264,774	650,369	42,814	44,481,079	34,855,549	8,625,622	999,908

¹ Federal funds were first made available to the States for February 1936. Figures include relatively small numbers of cases eligible under State laws for whom no Federal funds may be expended and amounts of payments to individuals in excess of amounts which can be matched from Federal funds. No figures are included in any month for any State not administering Federal funds.

² Includes estimates for Hawaii for June 1937–May 1938.

³ Amount of obligations incurred for payments to recipients from Federal, State, and local funds; administrative expense and expense for hospitalization and burials are not included. Prior to July 1937, obligations incurred for assistance in kind and for payments to persons other than recipients for rendering services to recipients are not included.

Table 9.—Old-age assistance in States administering plans approved by the Social Security Board, by regions and States, December 1938

[Data reported by State agencies, corrected to Jan. 15, 1939]

Region ¹ and State	Number of recipients	Amount of obligations incurred for payments to recipients ²	Average per recipient	Percentage change—				Number of recipients per 1,000 estimated population 65 and over ³
				From November 1938 in—		From December 1937 in—		
				Number of recipients	Amount of obligations	Number of recipients	Amount of obligations	
Total.....	1,783,171	\$34,855,549	\$19.55	+0.8	+2.2	+12.4	+13.1	224
Region I:								
Connecticut.....	15,268	407,055	26.66	+1.1	+4.0	+8.0	+9.5	130
Maine.....	11,968	247,809	20.71	— .9	— 1.2	(⁴)	(⁴)	139
Massachusetts.....	74,982	2,141,514	28.56	+1.2	+1.9	+15.5	+18.1	227
New Hampshire.....	4,002	92,359	23.08	+1.8	+1.7	+11.4	+14.6	77
Rhode Island.....	6,247	117,290	18.76	— .3	— .3	+9.7	+12.2	139
Vermont.....	5,203	75,280	14.47	— .5	— .3	— .2	+2.8	133
Region II:								
New York.....	110,445	2,670,162	24.18	+1.4	+2.2	+7.3	+8.8	139
Region III:								
Delaware.....	2,600	28,178	10.84	+5	+6	— 9.4	— 9.2	124
New Jersey.....	27,332	527,987	19.32	+9	+1.5	+7.7	+16.8	109
Pennsylvania.....	88,342	1,872,066	21.19	— .1	(⁴)	— 7.5	— 10.0	142
Region IV:								
District of Columbia.....	3,250	82,789	25.40	+2	— .1	+11.2	+13.0	78
Maryland.....	17,337	303,532	17.51	+5	+6	+6.7	+7.0	160
North Carolina.....	31,934	298,914	9.34	+8	+1.5	+53.0	+54.3	229
Virginia.....	7,219	69,153	9.54	+27.4	+34.2	(⁴)	(⁴)	48
West Virginia.....	17,978	217,956	13.79	+3	+4	— 3.6	— 5.2	229
Region V:								
Kentucky.....	44,493	388,493	8.73	+1.3	+1.0	+26.9	+13.0	241
Michigan.....	70,872	1,212,623	17.11	+1	— 1	+11.9	+1.0	243
Ohio.....	111,736	2,571,523	23.01	— .3	— .3	+6.8	+6.4	231
Region VI:								
Illinois.....	124,388	2,303,595	18.52	+7	+1.2	+2.8	+12.7	248
Indiana.....	53,842	889,946	16.53	+3.6	+4.1	+5.5	+32.8	186
Wisconsin.....	43,659	907,104	20.78	+1.4	+1.9	+15.5	+20.3	198
Region VII:								
Alabama.....	15,897	151,257	9.51	+9	+8	+13.8	— 2.1	144
Florida.....	34,130	472,417	13.84	+3.8	+3.6	+50.5	+30.8	339
Georgia.....	35,770	313,438	8.76	+6	+2	+60.5	+43.5	273
Mississippi.....	18,788	129,983	6.92	+2.1	+2.0	+21.0	+85.2	219
South Carolina.....	23,160	171,269	7.40	+2.7	+4.7	+5.2	+17.5	374
Tennessee.....	22,324	265,359	13.23	— .5	— .6	+67.0	+65.9	171
Region VIII:								
Iowa.....	50,677	1,004,565	19.82	+4	+4	+15.0	+15.1	231
Minnesota.....	65,098	1,329,246	20.42	+5	+9	+3.6	+8.2	324
Nebraska.....	26,992	462,002	17.12	+7	+5.3	+4.8	+7.6	275
North Dakota.....	7,851	136,488	17.38	+1.0	+1.5	+8.3	+12.2	218
South Dakota.....	16,201	324,674	20.04	+7	+5	+22.2	+33.4	386
Region IX:								
Arkansas.....	17,277	106,322	6.15	— 1.0	+45.8	— 10.4	— 39.7	214
Kansas.....	22,143	434,471	19.62	+2.4	+3.7	+63.4	+3.0	190
Missouri.....	74,434	1,375,399	18.48	+8	+1.4	— 2.3	+32.2	239
Oklahoma.....	65,089	1,297,634	19.94	— .3	+30.5	— 5.6	+25.3	547
Region X:								
Louisiana.....	28,251	289,927	10.26	+2.4	+3.4	+17.1	+21.1	349
New Mexico.....	3,811	42,505	11.15	+2.0	+1.9	+3.1	— 6.1	254
Texas.....	113,230	1,567,322	13.84	+2	+3	— .4	+6	397
Region XI:								
Arizona.....	6,811	177,735	26.10	+1.6	+1.8	+33.1	+37.9	401
Colorado.....	37,650	1,128,973	29.99	+4	+4.0	+9.9	— 16.8	468
Idaho.....	8,899	191,101	21.55	+7	+7	+9.2	+8.5	332
Montana.....	12,534	256,650	20.48	+5	+7	+9.9	+10.1	404
Utah.....	13,368	273,431	20.45	+3	+5	+15.4	— 7.9	465
Wyoming.....	3,006	64,983	21.62	+1.6	+1.9	+5.8	+8.0	302
Region XII:								
California.....	125,270	4,062,915	32.43	+2	+3	+27.9	+25.2	272
Nevada.....	2,099	55,542	26.46	+1.4	+1.5	+51.4	+44.5	350
Oregon.....	18,846	401,364	21.30	— .2	— .2	+45.4	+44.4	224
Washington.....	37,610	831,187	22.10	+2	+4	+4.8	+1.3	301
Territories:								
Alaska.....	1,078	29,656	27.51	+2.6	+3.0	+56.7	+50.7	270
Hawaii.....	1,771	22,388	12.64	— .7	— .2	+25.4	+14.7	182

¹ Social Security Board administrative regions.

² Obligations incurred from Federal, State, and local funds; administrative expense and expense for hospitalization and burials are not included.

³ Population estimated with the advice of the U. S. Bureau of the Census as of July 1, 1938.

⁴ Comparison for 47 States, the District of Columbia, Alaska, and Hawaii administering approved plans for December 1937 and December 1938.

⁵ Adjustments have been made for grants covering 2 or more eligible individuals for Alabama, Arkansas, Georgia, Idaho, Kansas, Louisiana, Maryland, Mississippi, New Hampshire, New Mexico, North Carolina, South Carolina, Tennessee, West Virginia, Wyoming, and Hawaii.

⁶ Not computed, because figures for December 1937 are too small for comparison.

⁷ Minimum age under State plan is 70 years, but rate is based on population 65 and over.

⁸ Decrease of less than 0.1 percent.

⁹ Not administering old-age assistance under an approved plan for December 1937.

¹⁰ Includes \$88,651 incurred for payments to 2,996 recipients 60 but under 65 years of age. Rate per 1,000 does not include these recipients.

Aid to the Blind

From November to December the increases in the number of recipients of aid to the blind and in the amount of obligations for payments to

these recipients were 1.2 percent and 1.7 percent, respectively. Percentage changes in these two items in the various States were, for the most part, small. In only two States, Connecticut and

Table 10.—Aid to dependent children in States administering plans approved by the Social Security Board, by regions and States, December 1938

[Data reported by State agencies, corrected to Jan. 15, 1939]

Region ¹ and State	Number of recipients		Amount of obligations incurred for payments to recipients ²	Average per family	Percentage change—						Number of recipients per 1,000 estimated population under 16 ³
	Families	Children			From November 1938 in—			From December 1937 in—			
					Number of recipients		Amount of obligations	Number of recipients		Amount of obligations	
					Families	Children		Families	Children		
Total	264,774	650,369	\$8,625,622	\$32.58	+1.9	+1.8	+2.7	+24.4	+22.6	+26.5	22
Region I:											
Maine	1,327	3,465	49,872	37.58	+1	—3	+1	+3.8	+1.8	+4.9	15
Massachusetts	9,298	22,644	604,652	65.03	+6	+6	+2.3	+26.4	+21.2	+34.4	20
New Hampshire	343	916	13,468	39.27	—3	—8	+2.7	—3.9	—8.2	+2	7
Rhode Island	1,041	2,836	49,355	47.41	+2.1	+2.1	+1.5	+21.6	+16.1	+12.2	16
Vermont	363	1,105	9,311	25.65	+4.0	+3.5	+5.8	+8.0	+46.9	+48.5	11
Region II:											
New York	34,646	69,336	1,697,524	49.00	+3	+2	+2	+30.9	+26.0	+36.3	22
Region III:											
Delaware	471	1,098	14,494	30.77	+1.1	+7	+1.4	+2.6	+2.2	+5	16
New Jersey	11,191	25,030	330,491	29.53	+1.7	+1.5	+2.7	+2.9	+2.3	+1.5	22
Pennsylvania	18,290	44,876	629,715	34.43	+6.5	+6.4	+6.4	+7.7	+4.3	+6.3	15
Region IV:											
District of Columbia	1,043	3,173	48,763	46.75	—1.2	—1.3	—4	—15.4	—13.3	—16.7	35
Maryland	7,692	20,824	245,183	31.88	+2.6	+1.9	+3.7	+21.2	+15.5	+20.1	46
North Carolina	7,719	21,053	117,686	15.25	+1.2	+1.0	+1.5	+90.9	+74.6	+83.1	17
Virginia	780	2,884	15,780	20.23	+14.7	+14.4	+15.9	(⁴)	(⁴)	(⁴)	3
West Virginia	5,940	17,183	126,767	21.34	+1.5	+1.2	+1.7	+12.3	+10.3	+10.8	27
Region V:											
Michigan	12,262	28,478	505,571	41.23	+1.2	+9	+4.5	+6.2	+5.2	+11.9	21
Ohio	10,878	* 31,168	436,864	40.16	+1.1	+9	+2.3	+4.1	+11.1	+11.9	* 15
Region VI:											
Indiana	15,218	32,000	417,021	27.40	+1.6	+1.7	+1.9	+30.9	+25.8	+26.9	35
Wisconsin	10,701	* 25,108	400,886	37.46	+1.7	+1.3	+1.8	+11.6	+12.4	+18.8	* 31
Region VII:											
Alabama	5,573	16,514	70,496	12.65	+1.0	+1.0	—1	+8.8	+9.0	+3.7	17
Florida	* 564	* 1,681	* 15,990	28.35	+58.0	+52.7	+53.2	(⁴)	(⁴)	(⁴)	4
Georgia	4,582	12,313	96,476	21.06	+8	+9	+9	+56.4	+48.7	+47.0	12
South Carolina	4,083	12,036	58,597	14.35	+5.8	+5.9	+7.2	+152.2	+147.2	+76.4	17
Tennessee	9,939	26,762	182,717	18.38	—4	—6	—3	+48.5	+38.9	+48.4	29
Region VIII:											
Minnesota	6,716	* 17,009	240,224	35.77	+3.4	+3.3	+3.7	+40.3	+45.8	+67.5	* 23
Nebraska	* 4,561	* 10,463	* 120,051	26.32	+1.6	+1.1	+2.9	+15.4	+11.4	+19.1	27
North Dakota	1,245	* 3,846	42,426	34.08	+4.7	+3.8	+4.7	+344.6	+310.9	+327.2	* 17
Region IX:											
Arkansas	4,068	11,186	33,099	8.14	—1.5	—1.9	+47.8	—16.3	—15.0	—34.5	16
Kansas	4,658	11,168	142,341	30.56	+2.6	+2.7	+3.7	+71.4	+61.2	+84.8	22
Missouri	7,800	19,090	236,172	30.28	+7.8	+6.9	+7.3	(¹⁰)	(¹⁰)	(¹⁰)	19
Oklahoma	15,241	35,190	212,644	13.95	—6	—9	—4	+10.2	+9.2	—3.4	43
Region X:											
Louisiana	9,745	28,034	206,584	21.20	+4.1	+5.4	+4.5	+24.0	+23.2	+26.1	41
New Mexico	1,503	4,346	27,909	18.57	+4.7	+5.1	+6.6	+13.8	+11.4	—16.9	30
Region XI:											
Arizona	2,010	5,945	66,487	33.08	+4.4	+3.7	+4.1	+42.3	+42.1	+47.8	46
Colorado	3,883	10,020	120,234	30.96	+1.4	+1.5	+1.7	+17.9	+16.2	+18.6	34
Idaho	2,689	6,365	71,538	26.60	+1.3	+1.2	+1.5	+16.4	+16.2	+20.0	41
Montana	2,091	4,901	59,258	28.34	+1.0	+1.3	+1.4	+30.2	+27.4	+32.0	33
Utah	2,935	7,307	97,805	33.32	+2	+3	+3.0	+16.7	+18.9	+15.5	42
Wyoming	585	1,479	18,105	30.95	+3.5	+2.4	+2.9	—3.0	—1.8	—5	22
Region XII:											
California	12,813	* 31,692	531,459	41.48	+1.0	+1.0	+3.6	+17.6	+17.2	+35.1	* 24
Oregon	1,558	3,444	60,423	38.78	+1.6	+1.7	+1.8	+54.3	+49.1	+71.6	14
Washington	5,788	13,040	168,560	29.12	—7	—5	—4	—10.3	—5.7	—11.9	33
Territory:											
Hawaii	941	3,361	32,624	34.67	+2.8	+4.2	+3.3	+9.3	+12.5	—6.1	25

¹ Social Security Board administrative regions.

² Obligations incurred from Federal, State, and local funds; administrative expense and expense for hospitalization and burials are not included.

³ Population estimated with the advice of the U. S. Bureau of the Census as of July 1, 1938.

⁴ Comparison for 38 States, the District of Columbia, and Hawaii administering approved plans for December 1937 and December 1938.

⁵ Not administering aid to dependent children under an approved plan for December 1937.

⁶ Includes 4,150 children 16 to 18 years of age. Rate per 1,000 does not include these children.

⁷ Includes an unknown number of children 16 years of age and over.

⁸ Does not include aid to dependent children administered by county governments to recipients not yet approved for aid under the State plan.

⁹ In addition, in 77 counties payments amounting to \$17,128 were made from local funds without Federal participation to 1,002 families in behalf of 2,419 children under the State mothers' pension law. It is possible that a large number of the families receiving aid from this source for December also received aid under the State plan for aid to dependent children approved by the Social Security Board.

¹⁰ Federal funds available, but no payments were made for December 1937.

Mississippi, were the changes in both items as much as 5 percent. In Connecticut, where the program is developing under a plan recently approved, the number of recipients increased 5.9

percent, and obligations 11.1 percent. In Mississippi, where payments were made for the first time in November 1938, these two items increased 27.6 percent and 28.6 percent, respectively.

Table 11.—Aid to the blind in States administering plans approved by the Social Security Board, by regions and States, December 1938

[Data reported by State agencies, corrected to Jan. 15, 1939]

Region ¹ and State	Number of recipients	Amount of obligations incurred for payments to recipients ²	Average per recipient	Percentage change—				Number of recipients per 100,000 estimated population ³
				From November 1938 in—		From December 1937 in—		
				Number of recipients	Amount of obligations	Number of recipients	Amount of obligations	
Total.....	42,814	\$999,908	\$23.35	+1.2	+1.7	+27.0	+24.5	44
Region I:								
Connecticut.....	107	2,784	26.02	+5.9	+11.1	(⁷)	(⁷)	6
Maine.....	1,252	28,617	22.86	(⁹)	+2	+11.7	+17.4	146
Massachusetts.....	1,097	23,973	21.85	+5	+8	+11.0	+22.7	25
New Hampshire.....	307	6,617	21.55	+1.3	+1.4	+4.8	+10.2	60
Vermont.....	135	2,319	17.18	-7	+2.1	-10.6	-6.0	35
Region II:								
New York.....	2,638	64,670	24.51	+3	+1.7	+15.8	+24.4	20
Region III:								
New Jersey.....	509	13,436	22.43	+5	+7	+9.7	+11.0	14
Region IV:								
District of Columbia.....	220	5,846	26.57	+9	-9	+21.5	+24.3	35
Maryland.....	625	13,224	21.16	+5	+1.0	+8.1	+12.7	37
North Carolina.....	1,962	28,627	14.59	+1	(¹¹)	+8.0	+12.1	56
Virginia.....	10,542	16,893	12.72	(¹¹)	(¹¹)	(¹¹)	(¹¹)	20
West Virginia.....	754	13,022	17.27	+9	+1.7	-5	-2.3	40
Region V:								
Michigan.....	675	17,734	26.27	+2	+4.7	+22.5	+23.8	14
Ohio.....	3,935	77,376	19.66	+3	+7	+4.7	+9.4	58
Region VI:								
Indiana.....	2,475	47,910	19.36	+2	+3	+11.8	+16.2	71
Wisconsin.....	1,965	44,102	22.44	-1	+3	-1.2	+8	67
Region VII:								
Alabama.....	474	4,281	9.03	+4	+2.6	+35.4	+22.6	16
Florida.....	12,214	32,333	14.60	+3.4	+3.5	(¹¹)	(¹¹)	133
Georgia.....	1,223	13,374	10.94	+1.0	+5	+61.8	+46.2	40
Mississippi.....	375	2,668	7.11	+27.6	+28.6	(¹¹)	(¹¹)	19
South Carolina.....	862	8,502	9.86	+4	+7.2	+72.7	+26.4	46
Tennessee.....	1,434	21,044	14.68	-3	-3	+140.2	+136.0	50
Region VIII:								
Iowa.....	1,279	29,674	23.20	+1.1	+1.1	+923.2	+898.8	50
Minnesota.....	760	18,893	24.86	+2.7	+3.8	+56.4	+106.2	29
Nebraska.....	599	12,168	20.31	+1.2	+3.0	+8.9	+13.0	44
North Dakota.....	109	2,109	19.35	(¹¹)	+1.0	(¹¹)	(¹¹)	15
South Dakota.....	219	4,378	19.99	+1.9	+5	(¹¹)	(¹¹)	32
Region IX:								
Arkansas.....	622	4,119	6.62	-3	+47.7	-10.0	-34.0	30
Kansas.....	1,008	20,883	20.72	+4.0	+4.4	+141.7	+144.2	54
Oklahoma.....	2,023	32,622	16.13	+3	+5	+2.5	-1.4	79
Region X:								
Louisiana.....	751	9,897	13.18	+3.0	+4.3	+37.8	+42.7	35
New Mexico.....	199	2,738	13.76	-1.0	+1.2	(⁹)	-12.9	47
Region XI:								
Arizona.....	299	7,328	24.51	+2.4	+3.0	+13.3	+19.0	73
Colorado.....	623	17,964	28.82	+1.8	+4.0	+7.6	+9.9	58
Idaho.....	300	6,646	22.15	+1.7	+1.3	+6.8	+4.3	61
Montana.....	99	2,110	21.31	(¹¹)	(¹¹)	(¹¹)	(¹¹)	18
Utah.....	200	5,077	25.38	-1.0	-1.0	-19.4	-20.0	39
Wyoming.....	162	4,642	28.65	+2.5	+2.4	-1.8	-7.4	69
Region XII:								
California.....	6,159	295,312	47.95	+1.5	+1.6	+17.7	+17.4	100
Oregon.....	434	11,063	25.49	-2	-3	+3.3	+6.1	42
Washington.....	1,032	31,992	31.00	+9	+5	+3.9	-6.5	62
Territory:								
Hawaii.....	67	951	14.19	(¹¹)	(¹¹)	(¹¹)	(¹¹)	17

¹ Social Security Board administrative regions.

² Obligations incurred from Federal, State, and local funds; administrative expense and expense for hospitalization and burials are not included.

³ Population estimated by the U. S. Bureau of the Census as of July 1, 1937.

⁴ Comparison for 39 States, the District of Columbia, and Hawaii administering approved plans for November and December 1938.

⁵ Comparison for 35 States, the District of Columbia, and Hawaii administering Federal funds under approved plans for December 1937 and December 1938.

⁶ Does not include aid to the blind administered under a State law without Federal participation.

⁷ Connecticut had an approved plan for aid to the blind for December 1937 but did not request Federal funds.

⁸ No change.

⁹ Decrease of less than 0.1 percent.

¹⁰ Preliminary figures, subject to revision.

¹¹ Not computed, because comparable data for November 1938 are not available.

¹² Not administering aid to the blind under an approved plan for December 1937.

¹³ Does not include aid to the blind administered by county governments to recipients not yet approved for aid under the State plan.

¹⁴ Federal funds available, but no payments were made for December 1937.

¹⁵ Not computed, because figures for December 1937 are too small for comparison.

¹⁶ Not computed, because figures for November 1938 are too small for comparison.

RELIEF IN URBAN AREAS FOR NOVEMBER 1938

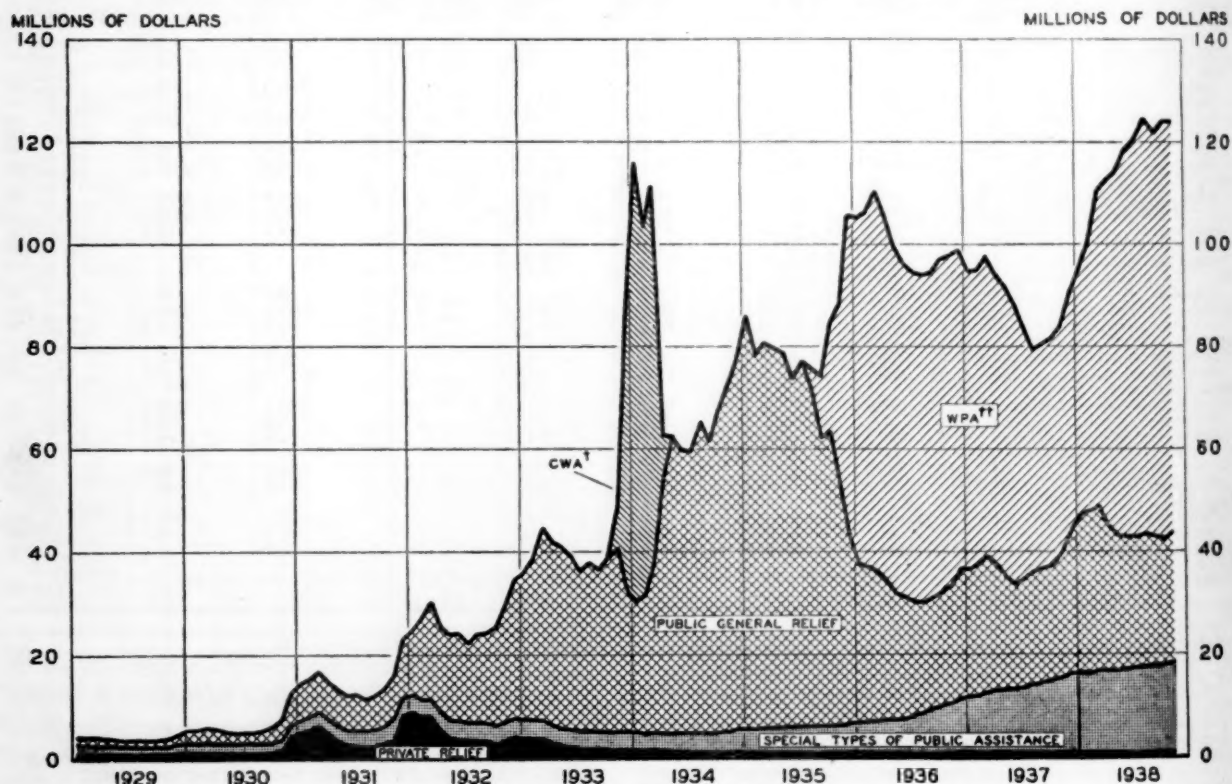
For November 1938 the bill for relief from public and private funds in 116 urban areas amounted to \$124 million. These areas comprise 65.9 percent of the urban population of the continental United States. The following types of relief are included in this total: general relief, both public and private, the three special types of public assistance, and earnings of persons in need of relief employed on work projects of the WPA. General relief as defined includes direct and work relief and statutory aid to veterans administered on the basis of need. Data for the urban series do not include relief earnings under work projects of Federal agencies other than the WPA, payments of the NYA, or compensation of enrollees of the CCC.

Almost two-thirds of the relief bill for November—\$80.3 million—was expended for earnings to persons in need of relief on work projects of the WPA. The next largest part—\$25.4 million or

approximately one-fifth—was spent for general relief. The major part of the remainder, \$17.4 million, was paid to recipients of the special types of public assistance and more than two-thirds of this amount was spent for aid to the needy aged. Less than \$1 million of the total obligations for relief was expended from private funds.

Total obligations for relief in the 116 urban areas were only about \$40,000 higher in November than in the previous month. Obligations for each of the specified types of relief, with the exception of WPA earnings, increased from October to November. The percentage increases, however, were not large. The amount of obligations for general relief from public funds increased 3.4 percent, or almost \$875,000. The percentage rise in private funds was 7.1 percent. The total amount expended for the special types of public assistance rose 1.6 percent. For old-age assistance, aid to dependent children, and aid to the blind, the in-

Chart I.—Relief in 116 urban areas in the United States, January 1929–November 1938



† Earnings under Civil Works Administration of all persons employed under the program including the administrative staff.

†† Earnings under Works Progress Administration of persons employed on projects within the areas and certified as in need of relief.

creases were 1.0 percent, 3.4 percent, and 1.5 percent, respectively. The decline in WPA earnings amounted to 1.4 percent or about \$1.2 million.

Although the percentage increase in the total relief bill from October to November was slight, from November 1937 to November 1938 there was a rise of almost 50 percent. The amounts spent for each type of relief from public funds likewise increased over that period. The smallest increase was for general relief from public funds, 5 percent, and the largest was for earnings on work projects of the WPA, 83.3 percent. In November 1937 the amount paid as earnings of persons in need of relief was \$44.3 million, and in November 1938 the amount was \$80.3 million. Payments for November 1938 to recipients of old-age assistance, aid to dependent children, and aid to the blind showed increases over the same month of 1937 of 15.6 percent, 26.3 percent, and 18.2 percent, respectively.

Chart II.—Special types of public assistance in 116 urban areas in the United States, January 1929–November 1938

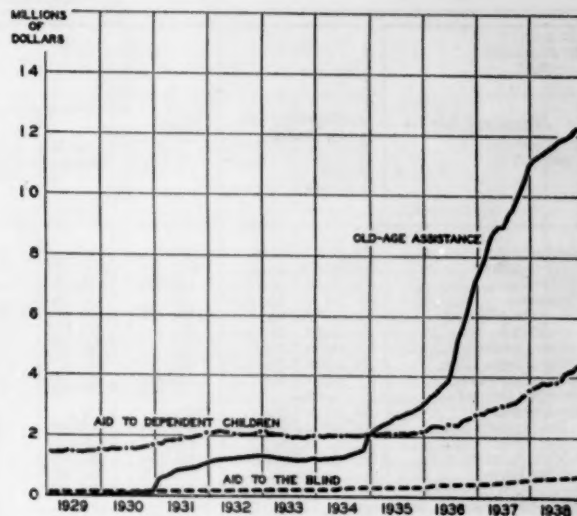


Table 1.—Relief in 116 urban areas: Cases aided, amount of relief,¹ percentage change, and percentage distribution by type of administrative agency, November 1938

[Corrected to Jan. 20, 1939]

Type of administrative agency	Number of cases ²	Amount of relief	Percentage change from—				Percentage distribution of relief in—		
			October 1938—		November 1937—		November 1938 ³	October 1938 ³	November 1937 ³
			In number of cases	In amount of relief	In number of cases	In amount of relief			
Total.....	(⁴)	\$123,061,760	(⁵)	(⁷)	(⁶)	+48.1	100.0	100.0	100.0
Public agencies.....	(⁴)	\$123,084,177	(⁵)	(⁷)	(⁶)	+48.8	99.3	99.3	98.8
General relief ⁸	878,095	25,423,653	-0.8	+3.4	+10.4	+5.0	20.5	19.8	28.9
Special types of assistance.....	637,016	17,376,617	+7	+1.6	+15.0	+18.2	14.0	13.8	17.6
Old-age assistance.....	511,213	12,292,470	+7	+1.0	+13.6	+15.6	9.9	9.8	12.7
Aid to dependent children ¹⁰	108,672	4,381,807	+8	+3.4	+21.5	+26.3	3.5	3.4	4.2
Aid to the blind ¹¹	22,131	702,340	+1.2	+1.5	+19.6	+18.2	.6	.6	.7
WPA earnings ¹²	(¹³)	80,283,897	(¹⁴)	-1.4	(¹⁵)	+83.3	64.8	65.7	52.3
Private agencies ¹⁶	(⁴)	\$77,592	(⁵)	+7.1	(⁶)	-12.2	.7	.7	1.2
Nonsectarian agencies.....	20,385	373,722	+0.0	+10.0	-13.6	-16.5	.3	.3	.6
Jewish agencies.....	6,210	158,881	+11.7	+6.7	-6.2	-12.2	.1	.1	.2
Catholic agencies.....	10,765	180,876	+9.8	+1.0	-8.1	-5.8	.2	.2	.2
Salvation Army.....	6,949	34,223	+39.3	+21.9	-22.2	-10.9	(¹⁷)	(¹⁷)	(¹⁷)
Other private agencies.....	11,560	129,890	+19.3	+4.9	-3	-7.9	.1	.1	.2

¹ Obligations incurred from Federal, State, and local funds; administrative expense is not included.

² Case figures incomplete, since certain agencies reporting the amount of relief failed to report the number of cases aided.

³ Percentages in this column are based on figures which include estimates amounting to less than 0.3 percent of the total.

⁴ The total number of cases aided by public and private agencies or by either group separately cannot be obtained by adding the figures shown in this column, since in an unknown number of instances cases are receiving relief from more than 1 type of agency.

⁵ Includes estimates amounting to \$366,202.

⁶ Percentage change not computed. For further explanation see footnote 4.

⁷ Less than 0.1 percent.

⁸ It should be noted that public agencies administered \$610 of private funds

while private agencies administered \$16,136 of public funds, so that the total amounts contributed from public and private sources, respectively, were \$123,096,793 and \$862,066.

⁹ Includes direct and work relief and statutory aid to veterans administered on the basis of need.

¹⁰ Includes data for States administering plans under the Social Security Act and for States not participating under the act.

¹¹ Earnings of persons employed on work projects of the WPA within the area and certified as in need of relief for all pay-roll periods ended during the month. Figures are not available for these areas for earnings of persons employed on projects other than those of the WPA.

¹² Figures not available.

¹³ Includes direct and work relief and aid to veterans.

Table 2.—Relief in 116 urban areas: Amount of relief,¹ sources of funds, and percentage change in total, by cities, November 1938

[Corrected to Jan. 20, 1939]

State and city	Territory included	Total	Public funds						Private funds ¹	Percentage change in total from—	
			Total	General relief ²	Old-age assistance	Aid to dependent children ³	Aid to the blind ⁴	Works Progress Administration earnings ⁵		October 1938	November 1937
Alabama:											
Birmingham	County	\$641,486	\$641,472	\$7,281	\$22,254	\$19,532	\$773	\$591,632	\$14	-2.7	+95.4
Mobile	do.	159,253	158,885	1,089	7,937	1,450	164	148,245	368	-1.0	+61.9
California:											
Los Angeles	do.	5,710,625	5,683,288	1,287,372	1,638,402	177,949	143,810	2,435,755	27,337	+2.9	+35.7
Oakland	do.	1,400,830	1,396,585	188,774	234,432	48,331	21,974	903,074	4,245	+1.8	+38.7
Sacramento	do.	284,571	282,863	43,859	100,775	16,700	7,066	114,463	* 1,708	+6.3	+46.8
San Diego	do.	671,072	670,277	117,101	202,612	20,057	8,942	321,565	795	+1.0	+1.7
San Francisco	do.	1,893,487	1,875,346	267,352	301,805	44,158	22,264	1,239,767	* 18,141	+9	+35.1
Colorado: Denver	do.	720,318	717,625	69,738	296,277	40,227	3,543	307,840	2,693	-2.8	+7.3
Connecticut:											
Bridgeport	City	572,124	570,256	* 50,511	26,446	5,854	167	* 487,278	* 1,868	+1.2	+107.0
Hartford	do.	340,247	325,671	* 56,530	45,901	6,293	608	216,330	* 14,576	-15.6	+58.2
New Britain	do.	140,170	139,937	* 14,651	10,617	2,409	78	112,092	233	+4.0	+90.7
New Haven	do.	719,108	714,549	* 63,317	45,440	7,488	742	* 597,562	4,559	-4.2	+94.6
Delaware: Wilmington	County	224,881	220,457	38,122	16,030	9,155		157,150	4,424	+3.2	+87.0
District of Columbia: Washington	City	871,058	853,976	37,327	82,836	48,982	5,899	678,632	* 17,082	+2.7	+73.0
Florida:											
Jacksonville	County	388,949	387,871	5,977	44,228	4,663	2,812	330,191	1,078	+4.4	+60.7
Miami	do.	183,203	179,002	5,453	40,639	7,768	2,931	122,211	4,201	+4.2	+80.4
Georgia: Atlanta	do.	723,935	718,951	22,338	33,102	18,348	1,966	643,197	4,984	-3.5	+104.5
Illinois:											
Chicago	do.	11,151,575	11,061,531	3,030,909	940,105	73,640	74,989	* 6,941,888	90,044	+1.0	+68.0
Springfield	do.	262,583	260,038	54,275	32,085	1,770	4,263	167,645	2,545	-1.5	+61.4
Indiana:											
Evansville	do.	404,487	403,969	35,406	28,512	16,331	1,487	322,233	518	+1.4	+111.7
Fort Wayne	do.	277,913	276,086	23,387	28,132	20,012	1,353	203,202	1,827	+1.1	+92.9
Indianapolis	do.	1,236,275	1,229,516	118,638	101,323	66,212	6,282	937,061	6,759	+3.8	+70.0
South Bend	do.	384,799	384,343	33,278	25,956	16,334	1,033	307,742	456	+6	+102.6
Terre Haute	do.	437,163	436,426	14,333	34,875	14,637	1,870	370,711	737	+3	+82.2
Iowa:											
Des Moines	do.	541,151	539,949	48,431	81,725	3,471	4,321	402,001	* 1,202	+1.2	+36.1
Sioux City	do.	228,227	227,423	61,863	36,073	3,695	1,411	124,381	804	+3	+34.3
Kansas:											
Kansas City	do.	351,269	351,040	23,506	29,215	12,640	1,702	283,977	229	+1.7	+70.6
Topeka	do.	125,214	124,908	11,214	15,857	7,850	1,036	88,951	306	+5.4	+42.9
Wichita	do.	227,997	226,863	46,823	32,746	13,992	1,691	131,611	1,134	+3.0	+85.2
Kentucky: Louisville	City	356,432	350,351	19,714	* 29,851	* 8,154		* 292,632	* 6,081	-3.2	+127.6
Louisiana:											
New Orleans	Parish	1,181,366	1,171,490	44,788	51,186	66,909	2,979	1,005,628	* 9,876	+2.5	+35.4
Shreveport	do.	42,072	41,749	6,801	10,177	9,835	240	14,696	323	+15.7	+83.2
Maine: Portland	City	166,216	164,977	21,823	18,348	3,159	1,261	* 120,386	1,239	+4.7	+120.3
Maryland: Baltimore	do.	868,541	853,056	193,318	159,009	150,004	8,791	* 341,934	* 15,485	+2	+24.3
Massachusetts:											
Boston	do.	3,147,449	3,070,802	440,389	372,512	217,965	7,276	2,032,660	76,647	+1.8	+36.1
Brockton	do.	247,253	244,483	* 35,650	52,964	7,136	465	148,268	* 2,770	-6.7	+41.7
Cambridge	do.	331,596	328,508	80,406	35,846	15,139	805	196,310	3,088	+20.6	+59.1
Fall River	do.	372,460	372,012	40,665	52,292	12,292	819	265,944	448	+7.8	+40.0
Lawrence	do.	249,080	247,945	28,171	40,795	5,361	560	173,058	1,125	+13.8	+82.4
Lowell	do.	406,414	404,091	63,882	60,363	13,577	767	265,502	2,323	-14.6	+55.0
Lynn	do.	364,339	360,731	51,876	71,845	9,067	628	227,315	3,608	+21.4	+54.8
Malden	do.	134,261	134,219	37,015	28,965	4,475	298	63,496	42	+11.5	+31.8
New Bedford	do.	345,147	343,757	62,839	71,465	10,680	692	198,081	1,390	-1.9	+48.6
Newton	do.	108,019	106,295	24,737	15,684	7,992	106	57,776	1,724	+17.6	+41.7
Springfield	do.	400,791	396,150	109,251	69,254	16,513	560	200,572	* 4,641	-8.8	+31.8
Worcester	do.	551,322	548,485	172,607	80,142	21,359	917	273,460	2,837	+22.4	+66.0
Michigan:											
Detroit	County	5,141,855	5,127,981	603,324	252,539	348,649	4,806	3,918,663	* 13,874	-10.4	+151.4
Flint	do.	531,911	531,596	69,526	51,674	21,239	466	388,691	315	-15.6	+188.6
Grand Rapids	do.	717,498	716,484	41,764	95,106	* 32,800	1,413	545,401	1,014	-2.9	+103.2
Pontiac	do.	429,870	429,685	* 36,222	46,571	25,598	365	320,929	185	-14.2	+198.0
Saginaw	do.	219,071	218,297	23,105	28,774	13,871	385	152,162	774	-6.9	+154.3
Minnesota:											
Duluth	do.	864,274	859,192	152,251	107,796	27,783	1,980	569,382	5,082	+6.3	+62.5
Minneapolis	do.	1,838,655	1,829,029	* 445,269	280,993	41,394	4,179	1,056,194	9,626	+2.5	+31.5
St. Paul	do.	1,028,664	1,022,842	229,124	109,379	18,065	2,635	663,639	5,822	+1	+31.6
Missouri:											
Kansas City	City	956,313	945,070	75,888	* 154,421	* 9,546	* 10,725	* 694,490	* 11,243	+1.6	+99.8
St. Louis	City and county	2,425,654	2,402,158	143,193	201,275	45,545	17,175	1,994,970	23,496	-7	+111.3
Nebraska: Omaha	County	697,919	687,227	* 5,940	80,816	27,449	2,028	570,994	* 10,692	+1	+45.0
New Jersey:											
Jersey City	City	1,180,663	1,180,227	168,876	22,780	21,064	1,087	* 966,420	* 436	-5	+34.5
Newark	do.	1,648,138	1,644,928	468,920	50,470	63,865	1,842	* 1,059,831	3,210	-2.7	+37.1
Trenton	do.	422,213	420,471	64,530	15,499	12,843	610	* 326,989	1,742	+10.8	+44.2

See footnotes at end of table.

Table 2.—Relief in 116 urban areas: Amount of relief,¹ sources of funds, and percentage change in total, by cities, November 1938—Continued

[Corrected to Jan. 20, 1939]

State and city	Territory included	Total	Public funds						Private funds ²	Percentage change in total from—	
			Total	General relief ³	Old-age assistance	Aid to dependent children ⁴	Aid to the blind ⁵	Works Progress Administration earnings ⁶		October 1938	November 1937
New York:											
Albany.....	City.....	\$257,516	\$255,373	\$44,356	\$13,147	\$3,814	\$652	\$193,404	\$2,143	+3.4	+23.6
Buffalo.....	County.....	1,815,218	1,802,637	955,746	105,404	68,213	4,524	668,750	12,581	+7.6	+21.6
New Rochelle.....	City.....	103,265	103,097	\$64,863	10,989	7,916	195	19,134	168	+7	+16.9
New York.....	do.....	21,709,259	21,529,429	6,758,873	1,287,410	1,215,831	36,212	12,231,103	\$179,530	+3	+6.7
Niagara Falls.....	do.....	159,163	158,534	58,837	6,838	6,805	87	\$85,967	629	+5.2	+86.7
Rochester.....	do.....	954,665	952,216	443,423	104,948	42,598	10 2,200	\$350,047	2,449	+4.5	+29.7
Syracuse.....	do.....	532,690	529,002	\$198,500	\$7,903	10 14,650	872	\$257,067	3,688	+3.1	+12.2
Utica.....	do.....	227,051	224,595	59,819	26,918	13,117	321	\$124,420	2,456	+5.8	+20.9
Yonkers.....	do.....	334,276	332,539	\$103,757	22,242	18,893	388	187,259	1,737	+1.6	+13.0
North Carolina:											
Asheville.....	County.....	151,924	151,924	3,473	9,990	4,453	920	133,088		+1.1	+149.9
Charlotte.....	do.....	95,056	94,486	4,112	14,363	6,115	1,375	68,521	570	+3.6	+53.2
Greensboro.....	do.....	100,600	100,562	1,482	15,923	6,638	1,262	75,257	38	+6.3	+138.3
Winston-Salem.....	do.....	117,932	110,120	8,480	12,507	4,952	1,040	83,141	7,812	+2.3	+103.7
Ohio:											
Akron.....	do.....	1,425,559	1,423,276	61,232	76,858	21,221	1,845	1,262,120	\$2,283	—3	+177.2
Canton.....	do.....	618,843	618,562	50,263	78,884	11,921	2,019	475,475	281	-7.1	+169.9
Cincinnati.....	do.....	1,435,964	1,420,699	234,961	181,273	39,258	5,371	959,836	\$15,265	-9.2	+71.8
Cleveland.....	do.....	5,435,091	5,396,384	\$439,713	210,327	98,156	7,694	4,640,494	38,707	-3.9	+142.4
Columbus.....	do.....	1,055,676	1,053,565	\$91,756	150,783	21,511	8,793	783,722	2,111	+1.0	+86.2
Dayton.....	do.....	753,610	752,761	103,368	103,544	15,412	2,580	527,857	849	-4.7	+98.4
Springfield.....	do.....	258,925	258,925	28,787	54,705	6,480	1,853	167,100		-4	+167.4
Toledo.....	do.....	1,581,105	1,580,653	92,760	117,073	19,629	4,064	1,347,127	452	-6.5	+162.1
Youngstown.....	do.....	701,399	700,971	52,179	82,276	14,372	2,910	579,234	428	-3.9	+116.7
Oklahoma:											
Tulsa.....	do.....	259,969	253,517	6,108	68,387	17,662	2,628	158,732	6,452	-2.2	+48.2
Oregon:											
Portland.....	do.....	724,453	722,355	114,485	160,036	18,767	4,820	424,247	2,098	+8	+49.1
Pennsylvania:											
Allentown.....	do.....	348,505	347,765	45,845	26,673	8,517	5,310	261,420	\$740	-1.6	+49.5
Altoona.....	do.....	401,633	401,554	66,521	33,811	10,680	6,024	284,518	79	-7	+82.9
Bethlehem.....	do.....	362,099	361,425	41,841	24,946	8,724	4,970	280,944	674	+1.2	+60.5
Chester.....	do.....	380,802	378,962	66,363	33,782	10,853	7,249	260,715	\$1,840	+4	+37.0
Erie.....	do.....	490,651	490,634	85,724	49,194	12,592	7,519	335,605	17	-5	+65.9
Johnstown.....	do.....	587,989	587,523	98,712	40,541	17,834	6,945	423,491	466	-8	+107.7
Philadelphia.....	do.....	4,743,002	4,698,587	2,537,834	350,620	94,486	67,866	1,647,781	\$44,415	+5.5	+19.8
Pittsburgh.....	do.....	4,532,908	4,308,969	1,200,667	246,525	100,890	37,083	2,633,804	\$23,939	+1.1	+58.1
Reading.....	do.....	490,010	489,081	82,641	41,406	9,376	9,150	346,508	929	+1.0	+61.5
Scranton.....	do.....	1,326,191	1,323,009	166,350	54,763	25,269	9,242	1,067,385	3,182	+1.2	+51.5
Wilkes-Barre.....	do.....	1,736,291	1,734,755	264,473	61,452	37,111	13,775	1,357,944	1,536	-4	+32.3
Rhode Island:											
Providence.....	City.....	996,352	991,080	107,524	52,271	18,743		\$12,492	5,322	-3.9	+55.4
South Carolina:											
Charleston.....	County.....	217,138	216,701	3,655	9,563	4,265	548	198,670	437	-1.9	+175.3
Tennessee:											
Knoxville.....	do.....	180,984	180,048	3,765	17,167	16,106	916	142,094	936	+3.0	+110.7
Memphis.....	do.....	278,798	274,338	2,917	37,628	19,974	4,149	209,670	4,460	+4.9	+94.4
Nashville.....	do.....	207,611	206,843	4,298	26,471	17,001	2,589	156,484	768	+4.9	+102.2
Texas:											
Dallas.....	do.....	372,418	368,375	22,335	88,371	946		256,723	4,043	+8.0	+63.2
El Paso.....	do.....	91,799	91,162	115	11,842			79,205	637	+3.5	+119.8
Fort Worth.....	do.....	327,732	327,405	18,093	67,428			241,884	327	+17.2	+61.8
Houston.....	do.....	336,405	334,273	26,671	72,844			234,758	2,132	+11.2	+67.0
San Antonio.....	do.....	304,228	300,431	63,608	63,608			236,823	3,797	-6	+90.7
Utah:											
Salt Lake City.....	do.....	436,290	421,187	32,853	89,401	32,347	997	265,589	\$15,108	+3.7	+44.7
Virginia:											
Norfolk.....	City.....	80,901	80,068	3,633	292	404	180	75,559	\$833	+5.3	+38.7
Richmond.....	do.....	159,276	153,161	29,788	6,001	1,305	448	115,619	6,115	+14.4	+45.5
Roanoke.....	do.....	32,675	32,675	2,859	720	471	271	28,354		+11.0	+45.7
Washington:											
Seattle.....	County.....	1,118,182	1,112,686	104,592	229,961	39,214	8,853	730,366	5,496	-5.2	+19.7
Tacoma.....	do.....	588,099	588,099	41,995	92,925	20,161	2,853	430,165		+2.3	+33.7
West Virginia:											
Huntington.....	do.....	219,488	218,891	10,190	10,474	4,913	653	192,661	597	-6	+87.0
Wisconsin:											
Kenosha.....	do.....	286,779	286,604	30,206	20,357	15,430	1,331	219,280	175	-2.7	+98.0
Madison.....	do.....	272,859	272,597	23,653	41,678	17,125	1,044	189,097	262	+2.6	+45.7
Milwaukee.....	do.....	2,541,328	2,528,513	463,254	167,378	101,955	8,269	1,787,657	\$12,815	+1.8	+69.4
Racine.....	do.....	253,711	252,779	36,761	24,519	17,365	754	173,380	932	-1.9	+125.5

¹ Obligations incurred from Federal, State, and local funds; administrative expense is not included.

² Includes direct and work relief and statutory aid to veterans administered on the basis of need.

³ Includes data for States administering plans under the Social Security Act and for States not participating under the act.

⁴ Earnings of persons employed on work projects of the WPA within the areas and certified as in need of relief for all pay-roll periods ended during the

month. Figures are not available for these areas for earnings of persons employed on projects other than those of the WPA.

⁵ Includes direct and work relief and aid to veterans.

⁶ Includes estimate.

⁷ Figures relate to county.

⁸ Figures relate to city.

⁹ Figures relate to Baltimore County as well as to the city of Baltimore.

¹⁰ Estimated.

Effect of Unemployment Compensation Upon General Relief Case Loads During December 1938

Data for December concerning the number of general relief cases opened because of cessation of unemployment benefits and the number of cases closed because of receipt of benefits are available for eight cities and the State of Pennsylvania.¹ All areas reported more cases opened during December because of the cessation of benefits than were closed because of receipt of benefits.

The number of cases opened for general relief because benefit rights were exhausted accounted for not more than 10 percent of the openings in any area except Detroit. In Detroit, however, almost one-fourth of the cases opened in December were those in which relief was given for this reason. In Michigan unemployment benefits were first paid in August; in Pennsylvania and in three of the other States in which reporting cities are located the unemployment compensation program had been in operation since the beginning of 1938; and in Wisconsin benefits first became payable in 1936. Although 1,300 cases were added to the relief rolls in Detroit in November and December because benefit rights were exhausted, this number falls far short of the

13,000 cases removed from the rolls at the time of the first payment in August; in the intervening months undoubtedly many additional families have not had to seek relief because unemployment benefits were available.

Detroit was the only area in which more than 20 cases per 1,000 cases receiving relief during December were opened in that month because cessation of unemployment compensation made general relief necessary. In other areas cases opened for this reason constituted from 17 per 1,000 cases in Los Angeles to only 2 per 1,000 cases receiving relief in Baltimore and New York.

Receipt of unemployment compensation was responsible for the closing of not more than 11 percent of the total cases closed in any reporting area in December. In 6 of the 11 areas it accounted for less than 5 percent of the closings.

Cases closed on receipt of benefits constituted a small proportion of the total number of cases receiving relief in December, amounting to only 10 per 1,000 cases in Los Angeles, San Francisco, and Detroit and to 1 per 1,000 cases in Baltimore and Rochester.

Nine cities reported the number of cases in which general relief was granted to supplement unemployment benefits. The number ranged from 4 percent of the general relief case load in Detroit to less than 1 percent in New York, Philadelphia, and Pittsburgh.

¹ Data for Pennsylvania are published in weekly statistical releases from the Pennsylvania Department of Public Assistance.

Table 3.—Cases opened and closed because of the cessation or receipt of unemployment compensation and relationship to total cases receiving relief and total cases opened and those closed in selected areas, December 1938

Area	Territory included	Total number of cases receiving general relief during December 1938	Cases opened during December				Cases closed during December			
			Total	Because of the cessation of unemployment compensation			Total	Because of the receipt of unemployment compensation		
				Number	Per 100 cases receiving relief	Per 100 cases opened		Number	Per 100 cases receiving relief	Per 100 cases closed
California:										
Los Angeles.....	County ¹	27,347	6,527	461	1.7	7.1	2,589	279	1.0	10.8
San Francisco.....	do. ¹	5,091	1,646	(²)	(²)	(²)	911	57	1.1	6.2
Maryland: Baltimore.....	City.....	8,385	1,445	18	.2	1.2	590	8	.1	1.4
Michigan: Detroit.....	do.....	18,018	5,185	1,148	6.4	22.1	3,671	177	1.0	4.8
New York:										
Buffalo.....	do.....	20,955	2,164	(²)	(²)	(²)	1,268	50	.2	3.9
New York.....	do.....	167,063	11,241	367	.2	3.3	6,850	288	.2	4.2
Rochester.....	do.....	9,763	1,112	41	.4	3.7	701	12	.1	1.7
Pennsylvania:										
State.....	State.....	236,937	38,415	3,856	1.6	10.0	18,160	1,955	.8	10.8
Philadelphia.....	County.....	80,851	8,058	598	.7	7.4	4,757	361	.4	7.6
Pittsburgh.....	do.....	47,868	6,743	653	1.4	9.7	3,694	261	.5	7.1
Wisconsin: Milwaukee.....	do.....	22,975	3,594	227	1.0	5.8	4,088	48	.2	1.2

¹ Includes only data on relief to employable cases, which is administered by the State Relief Administration.

² Data not available.

³ Pennsylvania Department of Public Assistance, *Statistical Report on General Assistance*, weeks ended Dec. 3, 10, 17, 24, and 31. Figures estimated from data in these reports.

RELIEF IN RURAL AND TOWN AREAS FOR NOVEMBER 1938

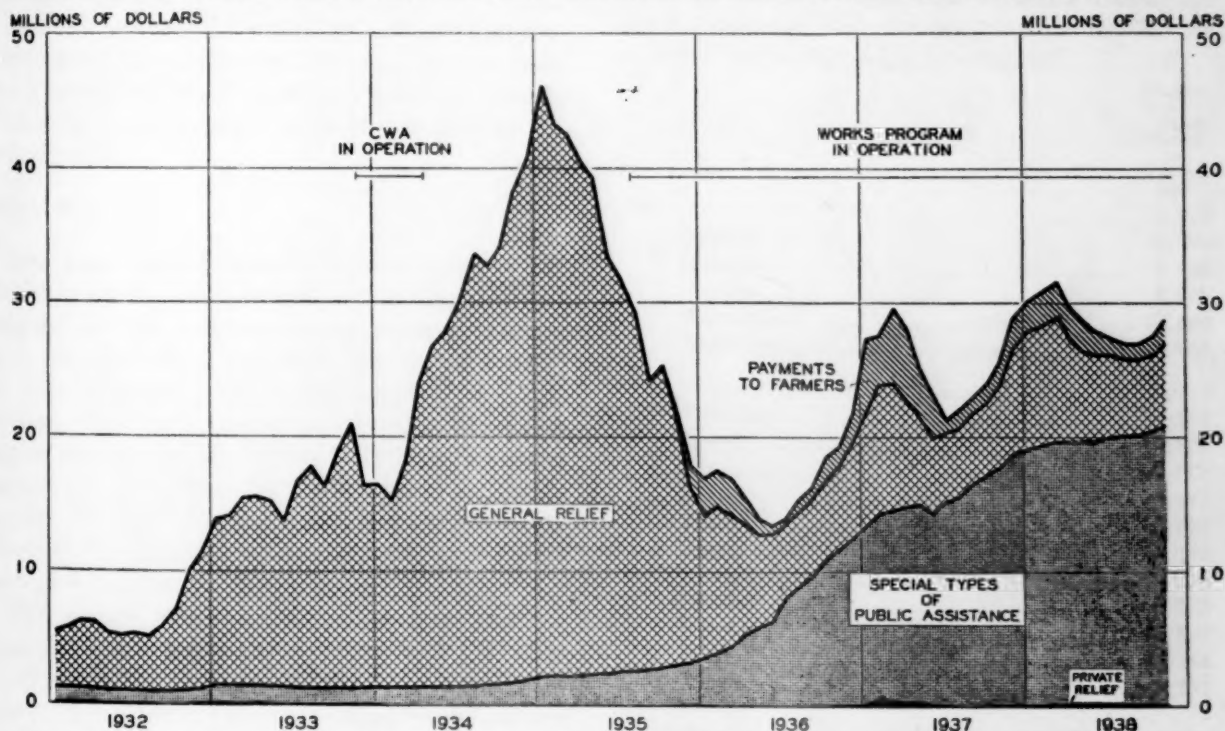
The rural-town series provides continuous monthly data on relief expenditures from public and private funds in 385 selected rural counties and townships in 36 States for the period January 1932 to date. These sample areas in 1930 contained 11.5 percent of the total rural-town population of the United States.

Types of assistance represented in the series are general relief; the special types of public assistance—aid to the aged, dependent children, and the blind; emergency subsistence payments to farmers; and private relief. Excluded from this series are expenditures for earnings of persons certified as in need of relief employed on the work programs of the Civil Works Administration, WPA, NYA, CCC, and other Federal agencies.

Obligations incurred monthly for the specified types of relief have been estimated for all rural and town areas in the continental United States and are shown graphically in chart I for the period January 1932–November 1938. The estimates are based on the data for the 385 sample areas.

The chart shows striking shifts in the volume and relative importance of the types of relief represented in the series. In the 4 years 1932–35, general relief was the principal type of relief available in the rural and town areas. Funds for general relief were distributed by local agencies and by the Federal Emergency Relief Administration, created in May 1933. In the winter of 1933–34 the volume of general relief declined substantially because of the development of the Civil Works Administration program for which data are not available. Upon the liquidation of the Civil Works Administration in the spring of 1934 the volume of general expenditures began to rise sharply, reaching a peak in January 1935 and declining rapidly thereafter. Reasons for the decline are the development of the rural rehabilitation program and the Works Program, data for which are lacking. Significant developments in 1936 and subsequently are the growth in emergency subsistence payments to farmers and the special types of public assistance. The increase

Chart I.—Estimated relief in rural and town areas in the United States, January 1932–November 1938¹



¹ Estimates for total rural and town areas (including counties with cities of 25,000 population or smaller) based on 385 sample areas in 36 States.

in obligations incurred for public assistance is attributable to the availability of funds for aid to dependent children, old-age assistance, and aid to the blind under the provisions of the Social Security Act.

In November 1938 total obligations incurred for the specified types of relief in the 385 rural and town areas amounted to \$3.3 million. Of this amount almost 73 percent was incurred for the

three special types of public assistance; 21 percent for general relief; 6.5 percent for subsistence payments to farmers; and only 0.2 percent for private relief. November expenditures in these areas increased 4.2 percent from the previous month. On the basis of the figures reported for November it is estimated that \$28.8 million was paid to recipients of the specified types of relief in rural and town areas in the continental United States.

Table 1.—Relief in 385 rural and town areas: Cases aided, amount of relief,¹ percentage change, and percentage distribution, by type of assistance, November 1938

[Corrected to Jan 15, 1939]

Type of assistance	Number of cases	Amount of relief	Percentage change from October 1938 in—		Percentage distribution of relief in—	
			Number of cases	Amount of relief	November 1938	October 1938
Total for 385 areas in 36 States.....	194,037	\$3,322,800	+3.7	+4.2	100.0	100.0
Public relief, total.....	190,856	3,315,082	+3.3	+4.2	99.8	99.7
General relief ²	47,521	698,788	+7.7	+10.0	21.0	19.9
Special types of public assistance.....	137,464	2,401,049	+1.1	+1.9	72.3	73.9
Old-age assistance.....	117,925	1,955,664	+1.1	+1.6	58.9	60.4
Aid to dependent children ³	16,309	376,838	+1.2	+4.5	11.3	11.4
Aid to the blind ⁴	3,230	68,547	+2.6	+1.7	2.1	2.1
Subsistence payments to farmers ⁵	10,461	215,245	+13.4	+14.3	6.5	5.9
Private relief.....	3,181	7,718	+26.8	+1.7	.2	.3

¹ Obligations incurred from Federal, State, and local funds; administrative expense is not included.

² Eliminates duplication in the count of cases receiving more than 1 type of public relief in 21 States.

³ Includes direct and work relief and statutory aid to veterans administered on the basis of need.

⁴ Includes data for States administering plans under the Social Security Act and for States not participating under the act.

⁵ Estimated.

OLD-AGE INSURANCE

BUREAU OF OLD-AGE INSURANCE • ANALYSIS DIVISION

REVIEW OF OLD-AGE INSURANCE DURING 1938

The close of 1938 marked the completion of the second full year of operations under the old-age insurance program. During the year 213,669 claims for lump-sum benefits were certified for payment, representing a total of \$10.5 million or an average of \$49.04 per claim. Of the total claims certified, 91,819 were filed by individuals who had attained age 65, and 121,850 were filed in behalf of the heirs or estates of deceased workers. The average life claim certified amounted to \$51.25, and the average death claim \$47.37.

Quarterly reporting of wages earned in covered employments was inaugurated at the beginning of 1938, and by the end of the year 81.3 million wage items had been received in the Baltimore office for the first three quarters of the year. In addition, approximately 37.5 million reports of wages earned in the second half of 1937 were received, and wage reports for the first and second halves of 1937 were summarized by individual accounts and the annual balances posted.

In 1938 a total of 5.9 million account numbers were issued to applicants, bringing the net total of all numbers issued through December 1938 to 42.6 million as compared with 36.7 million at the end of 1937.

Wage Records

The year 1938 afforded the first test of the efficiency of the mechanized accounting methods adopted for the wage-record operations. Operations in 1937 had consisted chiefly of setting up the individual employee accounts and attendant files and preparing reports of wages earned during the first half of 1937 for subsequent recording. Activities in 1938, however, were largely directed toward recording in separate accounts the amounts of taxable wages reported for individuals under the program.

The change from semiannual to quarterly reporting at the beginning of 1938 will probably result in posting balances for the year in a shorter time after the close of the year for which the reports are filed.

Over 45,000 complete statements of earnings have been furnished to covered workers since July, when it was first announced that individuals could, upon request, obtain statements of the 1937 earnings credited to their accounts.

Claims for Lump-Sum Payments

During 1938 a total of 213,924 claims for lump-sum payments were received in Washington. Of this total 43.2 percent were filed by individuals who had attained age 65, and 56.8 percent by the heirs or representatives of the estates of deceased individuals. These percentages show a considerable increase in the proportion of death claims as compared with life claims; in 1937, 49.4 percent of the total claims filed were life claims and only 50.6 percent death claims. The 1938 percentages approach more closely the distributions of life and death claims expected during the first few years of operation of the program.

The number of claims received in Washington averaged 17,827 per month in 1938. The upward trend of claims receipts that occurred during the last 6 months of 1937 did not continue in 1938, as is shown by the following tabulation:

Month	Number of claims received in Washington ¹
1937: July.....	4, 510
August.....	6, 209
September.....	6, 623
October.....	8, 260
November.....	13, 466
December.....	20, 683
1938: January.....	19, 419
February.....	18, 214
March.....	20, 888
April.....	18, 728
May.....	17, 948
June.....	16, 597
July.....	15, 136
August.....	16, 626
September.....	16, 223
October.....	17, 806
November.....	18, 144
December.....	18, 611

¹ Unadjusted for a correction of 416 claims which were subtracted from the cumulative total of claims received during 1938.

The average amounts certified increased each month throughout the year. The average amount of life claims certified rose from \$31.94 in January to \$67.05 in December, and death claims increased from \$31.46 to \$64.49 in the same period. The

December figures for the country as a whole and for each State are given in table 1.

The increasing size of lump-sum payments, together with growing familiarity with the old-age insurance program, probably accounts for the fact

Table 1.—Claims for lump-sum payments: Number received in Washington, and number and average amount certified by the Social Security Board to the Secretary of the Treasury, by regions and States, December 1938:

Region ¹ and State	Total claims			Claims for payments at age 65			Claims for death payments		
	Number		Average amount certified	Number		Average amount certified	Number		Average amount certified
	Received	Certified		Received	Certified		Received	Certified	
Cumulative through Dec. 31.....	283,695	266,906	\$44.04	126,803	119,225	\$44.93	156,892	147,681	\$43.33
Total for December.....	18,611	16,124	65.63	8,492	7,167	67.05	10,119	8,957	64.49
Region I:									
Connecticut.....	342	310	82.22	172	149	90.92	170	161	74.17
Maine.....	115	104	58.15	55	59	63.31	60	45	51.36
Massachusetts.....	832	773	71.04	448	403	70.39	384	370	71.76
New Hampshire.....	93	89	80.79	40	42	89.22	53	47	73.25
Rhode Island.....	199	174	49.74	115	99	47.80	84	75	52.30
Vermont.....	81	75	43.16	52	54	36.51	29	21	60.38
Region II:									
New York.....	2,163	1,946	77.78	890	807	85.23	1,273	1,139	72.51
Region III:									
Delaware.....	53	49	75.24	31	29	61.35	22	20	66.38
New Jersey.....	731	665	77.02	307	288	80.82	424	377	74.11
Pennsylvania.....	1,664	1,518	73.71	750	677	79.76	914	841	68.85
Region IV:									
District of Columbia.....	93	84	77.05	44	43	79.11	49	41	74.99
Maryland.....	304	250	64.42	171	125	56.09	133	125	72.75
North Carolina.....	416	375	39.50	203	144	38.43	213	211	46.23
Virginia.....	325	315	49.55	127	131	53.22	198	184	46.94
West Virginia.....	258	199	65.22	94	79	61.84	164	120	67.44
Region V:									
Kentucky.....	226	198	67.49	86	74	72.26	140	124	64.64
Michigan.....	721	611	73.72	234	184	77.77	487	427	71.98
Ohio.....	1,148	974	74.12	613	412	83.13	635	562	67.61
Region VI:									
Illinois.....	1,199	1,111	78.84	497	446	85.28	702	665	74.93
Indiana.....	505	453	63.01	223	184	69.59	282	269	68.51
Wisconsin.....	357	315	71.01	170	158	72.86	187	157	69.15
Region VII:									
Alabama.....	201	233	47.23	96	68	43.23	205	165	48.87
Florida.....	201	181	50.55	64	61	60.87	137	120	45.31
Georgia.....	392	305	40.90	227	146	42.28	165	159	39.64
Mississippi.....	175	139	30.02	98	78	27.21	77	61	33.62
South Carolina.....	210	171	35.53	86	68	38.65	124	103	33.47
Tennessee.....	369	301	44.53	214	155	41.30	155	146	47.96
Region VIII:									
Iowa.....	418	289	45.11	239	207	43.73	89	82	48.58
Minnesota.....	332	278	58.42	199	173	52.65	133	105	67.93
Nebraska.....	105	90	53.04	41	38	53.84	64	52	52.46
North Dakota.....	48	27	69.89	28	16	80.32	20	11	54.71
South Dakota.....	36	27	59.08	22	15	76.13	14	12	37.76
Region IX:									
Arkansas.....	111	92	44.92	36	31	57.79	75	61	38.37
Kansas.....	155	129	53.95	58	50	60.28	97	79	49.96
Missouri.....	421	349	69.23	179	134	73.68	242	215	66.43
Oklahoma.....	127	97	67.56	45	38	66.54	82	59	68.22
Region X:									
Louisiana.....	397	313	34.51	217	169	31.21	180	144	38.38
New Mexico.....	33	30	67.17	6	6	51.42	27	24	71.11
Texas.....	614	535	52.60	213	195	53.74	401	340	51.78
Region XI:									
Arizona.....	54	50	65.43	26	18	66.26	28	32	64.96
Colorado.....	151	108	68.08	73	44	70.19	78	64	66.63
Idaho.....	58	40	44.91	27	20	45.41	31	20	44.42
Montana.....	69	57	62.83	23	15	82.95	46	42	55.64
Utah.....	59	57	63.57	24	26	59.11	35	31	67.32
Wyoming.....	26	18	67.90	17	9	52.59	9	9	83.21
Region XII:									
California.....	1,288	1,143	64.64	627	569	57.04	661	574	72.18
Nevada.....	37	30	70.76	15	14	56.88	22	16	82.90
Oregon.....	192	139	59.68	92	79	54.78	100	60	66.13
Washington.....	349	285	56.61	164	126	47.97	185	159	62.46
Territories:									
Alaska.....	9	6	24.41	5	3	15.56	4	3	33.46
Hawaii.....	31	21	58.39	18	8	61.87	13	13	50.25
Foreign ²	18	16	61.81	1	1	29.85	17	15	63.94

¹ All claims received to date have been for lump-sum payments amounting to 3½ percent of total taxable wages. This is the only type of claim payable before Jan. 1, 1942.

² Social Security Board administrative regions.

³ Claims received from persons in foreign countries.

Source: Bureau of Old-Age Insurance, Administrative Division.

that claims are being filed more promptly now than formerly. Only 23.5 percent of the claims certified in December 1937 were filed within 30 days after the date of attainment of age 65 or the death of the wage earner, whereas 46.4 percent of the claims certified in December 1938² were filed within a corresponding period.

Table 2.—Average number of days required for settling claims for lump-sum payments, by months, 1938

Month	All claims	Claims for payments at age 65	Claims for death payments
January.....	36.5	31.4	40.8
February.....	30.0	24.4	34.1
March.....	29.4	25.1	32.3
April.....	24.7	21.4	27.1
May.....	24.4	21.5	26.4
June.....	24.0	22.4	25.0
July.....	24.5	21.7	26.4
August.....	24.3	21.5	26.3
September.....	26.2	24.6	27.6
October.....	24.2	23.0	25.2
November.....	22.3	20.9	23.2
December.....	20.1	19.0	20.9

The time required for the settlement of claims decreased during 1938. Claims received in Washington in January 1938 required an average of 36.5 days from the date of filing in the field offices to the date of issuance of the checks by the Treasury, whereas claims received in December required an average of only 20.1 days. The average number of days required for the settlement of claims in each month of 1938 is shown in table 2.

Table 3.—Employee account numbers issued and percent of monthly average, by months, for the year 1938

Month	Number ¹	Percent of average for year
January.....	661,566	133.7
February.....	431,806	87.2
March.....	456,167	92.2
April.....	461,699	93.3
May.....	406,745	82.2
June.....	458,836	92.7
July.....	532,280	107.6
August.....	592,746	119.8
September.....	513,322	103.7
October.....	539,971	109.1
November.....	440,809	89.1
December.....	442,920	89.5

¹ Does not include an adjustment made at the end of the year, which increased by 15 the cumulative total of account numbers issued.

Much of the reduction in the time required for the settlement of claims is the result of increased experience in obtaining evidence and in adjudicating claims, especially death claims. It will be noted that the time between the receipt and the

² The December figure of 46.4 percent represents claims filed within 29 days, as data for December are not available on a 30-day basis.

payment of death claims has decreased more than that for life claims. The great reduction in time required for settlement of death claims is due to the fact that increased experience in obtaining evidence and in adjudicating claims is reflected to a high degree in death claims. Death claims require more evidence and are more difficult to adjudicate than life claims; hence there has been greater opportunity for improvement. Furthermore, since the number of life claims involving amounts in excess of \$100 now constitutes a greater proportion than formerly and any claim involving an amount in excess of \$100 requires proof of birth, it has not been possible to reduce appreciably the average time required to settle all life claims.

Employee Account Numbers Issued

Employee account numbers issued averaged 495,000 per month in 1938 as compared with 1.6 million per month in 1937. The great reduction in account numbers issued in 1938 was to be expected since the bulk of the workers who are now registered were working in covered employment when the program was initiated and were registered before the end of 1937. Most of the numbers issued in 1938 are ascribable to the entrance of new workers into the labor market, to the registration of workers in occupations excepted under the old-age insurance provisions of the Social Security Act but included under State unemployment compensation laws which went into effect during 1938, and to the shifting of workers from excluded to included employments.

The January figure is probably affected by the fact that in 22 States unemployment benefits became payable in that month. It is also likely that since January 31 was the due date for wage reports for the second half of 1937, employees who had hitherto not obtained account numbers were requested by employers to do so in order that the wage reports could be properly completed. Furthermore, it is possible that January marked the close of the initial enumeration period since the number received in that month approximates the numbers received in November and December 1937. The fact that the months of April, July, and October each show an increase over the preceding month may be caused by the quarterly method of reporting since the close of each of these months marks the due date for quarterly wage reports.

Table 4.—Employee account numbers issued, by regions and States, December 1938¹

Region ² and State	Employee account numbers issued ³	
	Cumulative through December ⁴	December
Total	42,627,229	442,920
Region I:		
Connecticut.....	683,961	4,912
Maine.....	285,689	2,297
Massachusetts.....	1,720,447	13,352
New Hampshire.....	182,524	1,439
Rhode Island.....	298,554	2,979
Vermont.....	99,932	500
Region II:		
New York.....	5,758,106	47,234
Region III:		
Delaware.....	96,374	987
New Jersey.....	1,561,640	12,089
Pennsylvania.....	3,569,194	19,462
Region IV:		
District of Columbia.....	272,753	3,867
Maryland.....	605,389	4,484
North Carolina.....	876,579	10,613
Virginia.....	670,303	10,480
West Virginia.....	564,193	4,133
Region V:		
Kentucky.....	661,300	11,003
Michigan.....	1,957,844	18,217
Ohio.....	2,518,513	19,626
Region VI:		
Illinois.....	2,950,270	27,730
Indiana.....	1,132,617	8,817
Wisconsin.....	856,107	6,159
Region VII:		
Alabama.....	606,838	10,386
Florida.....	622,109	11,507
Georgia.....	774,926	11,294
Mississippi.....	342,563	7,958
South Carolina.....	461,764	7,249
Tennessee.....	702,329	12,898
Region VIII:		
Iowa.....	547,563	6,210
Minnesota.....	734,524	6,481
Nebraska.....	297,364	3,424
North Dakota.....	102,187	1,158
South Dakota.....	116,327	1,632
Region IX:		
Arkansas.....	320,830	6,855
Kansas.....	442,592	4,645
Missouri.....	1,177,015	15,615
Oklahoma.....	589,461	8,155
Region X:		
Louisiana.....	618,044	9,081
New Mexico.....	108,781	2,863
Texas.....	1,806,146	29,169
Region XI:		
Arizona.....	155,234	2,595
Colorado.....	331,001	4,060
Idaho.....	145,500	2,278
Montana.....	165,236	2,195
Utah.....	161,402	1,977
Wyoming.....	70,030	850
Region XII:		
California.....	2,734,051	31,439
Nevada.....	41,813	450
Oregon.....	362,125	3,651
Washington.....	599,017	5,661
Territories:		
Alaska.....	20,930	225
Hawaii.....	147,238	579

¹ The count of employee account numbers issued must not be taken as a measure of the number of persons engaged currently in employment covered by the old-age benefits provisions of the Social Security Act or the cumulative total of persons who have been so engaged over a period of time. As an aid in the administration of State unemployment compensation laws and for other reasons, account numbers have been issued to individuals who were not in employment covered by title II at the time their applications were made.

² Social Security Board administrative regions.

³ Net figures, after subtraction of all numbers canceled for any reason.

⁴ Revised.

Source: Bureau of Old-Age Insurance, Baltimore Accounting Operations.

TABULATIONS OF EMPLOYER AND EMPLOYEE DATA

The tabulation of data contained in the wage records of approximately 30.5 million persons employed in covered industry in 1937 is now nearly completed. The tabulation has been made by age, sex, color, intervals of individual earnings during the year, and by State in which employed; furthermore, nonmigrant and migrant employees have been separated, and a study will be made of wage-earner migration from the States in which account numbers were assigned to States in which employees were working in 1937.

The entire tabulation includes employees who worked in employments covered by the old-age insurance program during the first year of operation, and it will present a comprehensive picture of the characteristics and individual earnings in covered employment of employees covered by the Social Security Act. From the corresponding tabulation for 1938, which should be completed early in 1940, additional information will be available concerning employment by industry, the quarters of the year in which workers were employed, and the rate of labor turn-over in each classified industry.

Work is also proceeding on the first complete tabulation of data for employers in covered industry for the first quarter of 1938. This will give figures for total employment and pay rolls in covered industry, with distributions by size of firm, by industry, and by State and other geographical areas. Difficulties arising from the manner in which returns are made by employers having establishments in more than one industry or more than one locality will impose limitations on the industrial and the finer geographical distributions. It is believed, however, that the results will be of material value.

When the employer tabulation for the first quarter of 1938 has been completed, corresponding tabulations for the remaining quarters of the year will be started immediately. Beginning with data for the first quarter of 1939, it is planned to make employer tabulations available at regular quarterly intervals.

AGE, SEX, AND COLOR OF APPLICANTS, OCTOBER-DECEMBER 1938

Distributions by age, sex, and color of the persons who applied for account numbers during the fourth quarter of 1938 are now available for addition to and comparison with similar information derived from applications received during the

Table 5.—Percentage distribution¹ by sex and color of persons whose applications for account numbers were received during 1938

Sex and color	Total, 1938 applicants	January-March applicants	April-June applicants	July-September applicants	October-December applicants
Sex, total.....	100.0	100.0	100.0	100.0	100.0
Male.....	63.6	68.3	65.8	62.7	59.2
Female.....	36.4	31.7	34.2	37.3	40.8
Color, total.....	100.0	100.0	100.0	100.0	100.0
White.....	84.7	84.0	85.9	83.6	85.1
Negro.....	14.1	14.8	12.7	15.2	13.7
Other.....	1.2	1.2	1.4	1.2	1.2

¹ Some of the distributions previously published excluded persons 65 and over and those of unknown age. These figures therefore are slightly different from those previously published.

first three quarters of the year. The 1,689,359¹ applications received during the fourth quarter bring the 1938 total to nearly 6 million.

Women applicants formed a larger part of the total during each quarter of the year 1938, increasing from 31.7 percent in the first quarter to 40.8 percent in the fourth quarter. Furthermore, the percent of women among the applicants in each quarter of 1938 was considerably higher than among the 1936 and 1937 applicants. For the entire year women constituted 36.4 percent of the

¹ This is the total number of actuarial cards placed in the supplementary alphabetical file during the fourth quarter; therefore, the count does not agree with the total of account numbers issued.

Table 7.—October-December applicants:¹ Distribution of applicants for account numbers by age, sex, and color, United States summary

Age group (years)	Total applicants	Male applicants				Female applicants			
		Total	White	Negro	Other	Total	White	Negro	Other
All ages.....	1,689,359	1,000,203	825,692	150,573	14,938	689,156	612,289	71,803	5,064
Under 20.....	498,613	276,181	242,501	30,677	3,003	222,432	210,246	10,527	1,659
20-24.....	322,122	187,129	149,003	35,868	2,258	134,963	118,224	15,555	1,214
25-34.....	351,819	197,845	151,849	41,642	4,354	153,974	130,743	22,113	1,118
35-44.....	229,461	135,201	107,784	24,680	2,737	94,260	79,978	13,673	609
45-54.....	160,348	106,750	90,184	15,006	1,560	53,598	46,735	6,536	327
55-64.....	90,355	66,826	58,741	7,292	793	23,529	21,020	2,408	101
65 and over.....	32,378	27,199	24,149	2,876	174	5,179	4,598	532	29
Unknown.....	4,263	3,072	1,481	1,532	59	1,191	745	439	7

¹ This information was tabulated from the actuarial cards placed in supplementary alphabetical file in October, November, and December

Table 6.—Percentage distribution¹ by age groups of persons whose applications for account numbers were received during 1938

Age group (years)	Total, 1938 applicants	January-March applicants	April-June applicants	July-September applicants	October-December applicants
Total.....	100.0	100.0	100.0	100.0	100.0
Under 20.....	25.3	16.0	21.0	32.1	29.5
20-24.....	19.1	19.9	18.9	18.6	19.1
25-34.....	21.5	24.3	22.2	19.3	20.8
35-44.....	14.4	16.5	15.3	12.8	13.6
45-54.....	10.3	12.1	11.3	8.8	9.5
55-64.....	5.9	7.2	6.6	5.0	5.3
65 and over.....	3.0	3.6	4.5	2.5	1.9
Unknown.....	.5	.4	.2	.9	.3
Male, total.....	100.0	100.0	100.0	100.0	100.0
Under 20.....	23.8	14.7	19.8	31.5	27.6
20-24.....	18.2	18.1	17.5	18.2	18.7
25-34.....	20.4	23.1	20.6	18.4	19.8
35-44.....	14.3	16.7	15.2	12.4	13.5
45-54.....	11.4	13.5	12.5	9.4	10.7
55-64.....	7.3	8.7	7.9	6.0	6.7
65 and over.....	4.2	4.7	6.2	3.5	2.7
Unknown.....	.4	.5	.3	.6	.3
Female, total.....	100.0	100.0	100.0	100.0	100.0
Under 20.....	27.9	18.7	22.8	33.0	32.3
20-24.....	20.7	23.8	21.5	19.2	19.6
25-34.....	23.4	26.7	25.4	20.9	22.3
35-44.....	14.5	16.2	15.6	13.4	13.7
45-54.....	8.3	9.1	9.1	7.8	7.8
55-64.....	3.6	4.0	4.0	3.4	3.4
65 and over.....	1.0	1.1	1.4	.8	.7
Unknown.....	.6	.4	.2	1.5	.2

¹ Some of the distributions previously published excluded persons 65 and over and those of unknown age. These figures therefore are slightly different from those previously published.

total applicants as compared with 27.4 percent of the applicants included in the 10-percent sample. As the new applicants more and more represent persons just entering the labor market, increasingly larger proportions of applications are received from women who constitute a higher percent of new persons entering the labor market than they do workers employed at any one time. This is, of course, because of the higher turn-over among women, many of whom enter remunerative em-

1938; therefore, the count does not agree with the figures for account numbers issued.

ployment when they are young and later leave to assume responsibilities as homemakers.

Distributions by color were substantially the same for each quarter of the year. The data for the year showed that 84.7 percent of all applications were received from white persons, 14.1 percent from Negroes, and 1.2 percent from members of other races. Applications from Negroes and members of other races were, however, rela-

tively twice as large in 1938 as they had been in the earlier months of enumeration.

The most noticeable change in the age distribution was the decrease in the fourth quarter of the percentage of the total formed by applicants under age 20. Heretofore, the numbers of both male and female applicants in the youngest age group increased proportionately each quarter. In the fourth quarter, however, persons under age

Table 8.—October-December applicants:¹ Distribution of male applicants for employee account numbers by color and age and by States, and total number of male and female applicants by States

State	Total male and female applicants	Total male applicants	Number of male applicants										
			Color			Age group (years)							
			White	Negro	Other	Under 20	20-24	25-34	35-44	45-54	55-64	65 and over	Unknown
Total	1,689,359	1,000,203	825,692	159,573	14,938	276,181	187,129	197,845	135,201	106,750	66,826	27,199	3,672
Alabama	29,504	21,445	12,456	8,979	10	4,571	4,696	5,751	2,897	2,032	981	362	155
Alaska	907	634	466	1	167	113	89	139	90	89	50	53	11
Arizona	9,296	6,090	5,531	316	213	1,534	1,086	1,224	912	690	470	134	10
Arkansas	36,687	28,451	18,235	10,212	4	4,847	6,415	7,911	4,710	2,791	1,317	445	13
California	129,035	67,554	61,584	2,381	3,589	15,859	10,746	12,954	10,892	9,335	6,173	1,553	42
Colorado	10,931	10,353	10,102	199	52	3,041	2,101	2,121	1,326	1,065	553	94	32
Connecticut	14,809	8,099	7,774	303	22	3,663	1,078	1,126	837	734	458	201	2
Delaware	4,902	2,556	1,907	645	4	723	428	481	370	241	128	182	3
District of Columbia	11,217	6,510	4,106	2,377	27	1,795	1,207	1,357	841	509	288	443	10
Florida	34,667	21,912	13,753	8,153	6	4,925	4,406	5,205	3,105	2,254	1,301	557	159
Georgia	43,072	28,615	15,930	12,680	5	7,152	6,845	7,020	3,648	2,161	1,068	480	261
Hawaii	11,761	8,092	1,502	15	6,575	2,434	1,062	2,178	1,178	698	402	137	3
Idaho	11,771	8,061	8,025	13	23	1,678	1,552	1,693	1,183	1,028	742	185	185
Illinois	90,645	46,400	42,404	3,868	128	15,063	7,354	7,698	5,754	4,882	2,958	2,280	411
Indiana	32,642	17,063	15,963	1,092	8	5,594	2,873	2,658	1,906	1,878	1,584	566	4
Iowa	32,243	19,138	18,917	212	9	6,034	3,899	3,373	2,174	1,960	1,329	366	3
Kansas	25,583	16,082	15,300	700	22	5,046	3,007	2,788	1,956	1,562	1,020	674	29
Kentucky	26,702	16,877	15,136	1,741	—	4,246	3,500	3,662	2,312	1,687	1,083	356	31
Louisiana	39,388	30,507	15,517	14,965	25	5,042	5,874	7,891	5,255	3,582	2,104	676	81
Maine	7,908	4,527	4,480	16	31	1,367	724	746	580	578	366	162	4
Maryland	18,212	9,510	6,881	2,613	16	2,984	1,553	1,690	1,318	963	676	324	2
Massachusetts	39,366	21,452	20,990	423	39	9,264	3,850	3,012	2,116	1,761	1,025	413	11
Michigan	61,527	31,752	29,246	2,364	142	10,948	4,958	4,490	3,822	3,772	2,862	979	21
Minnesota	38,076	21,831	21,465	131	205	6,111	4,333	4,043	2,771	2,419	1,675	475	4
Mississippi	23,768	19,331	18,135	11,143	33	2,972	4,364	6,072	2,991	1,645	789	227	271
Missouri	85,619	52,349	46,135	6,178	36	11,022	8,983	10,485	7,785	6,977	4,960	2,100	37
Montana	11,879	8,036	7,650	29	357	1,628	1,389	1,564	1,101	1,311	884	153	6
Nebraska	18,753	11,761	11,527	197	37	3,126	2,111	2,403	1,636	1,376	846	257	6
Nevada	2,506	1,644	1,507	14	123	285	280	302	262	228	191	88	8
New Hampshire	5,357	3,466	3,447	13	6	1,253	490	463	367	358	331	102	12
New Jersey	63,040	32,889	29,163	3,663	63	10,596	5,186	4,938	3,990	3,674	2,936	1,388	181
New Mexico	4,877	3,618	3,494	38	86	841	754	817	635	407	200	44	20
New York	161,204	81,708	73,980	7,031	697	26,425	12,066	14,866	11,979	9,009	4,875	2,444	44
North Carolina	41,661	28,132	16,826	11,155	151	7,584	7,044	6,808	3,500	1,965	927	191	113
North Dakota	8,651	5,638	5,502	2	134	1,417	1,341	1,212	713	574	323	57	1
Ohio	84,832	45,040	41,100	3,903	37	13,341	8,362	6,264	5,270	4,884	4,024	2,662	233
Oklahoma	34,184	22,885	20,445	1,940	500	5,390	5,078	5,324	3,230	2,258	1,321	276	8
Oregon	26,303	16,329	16,067	83	179	3,785	2,735	3,012	2,346	2,274	1,609	567	7
Pennsylvania	80,553	41,291	38,326	2,932	33	16,886	7,054	5,679	4,330	3,595	2,463	1,252	32
Rhode Island	7,290	3,887	3,809	73	5	2,039	580	451	335	276	147	58	1
South Carolina	23,534	17,691	8,455	9,223	13	4,576	4,553	3,997	1,974	1,386	667	172	366
South Dakota	8,983	5,767	5,217	6	544	1,427	1,158	1,162	794	657	424	145	145
Tennessee	28,039	18,822	13,611	5,207	4	4,381	4,269	4,742	2,492	1,704	879	281	74
Texas	83,979	54,510	41,981	12,481	48	13,615	10,453	12,477	8,713	5,750	2,844	587	71
Utah	9,228	4,886	4,839	15	32	1,631	992	824	576	476	329	58	12
Vermont	3,256	1,976	1,972	3	1	634	326	352	228	223	137	64	12
Virginia	37,510	24,774	15,747	8,984	43	5,625	6,434	5,256	3,134	2,680	1,164	344	137
Washington	30,099	17,685	17,123	190	372	4,521	3,170	3,212	2,407	2,107	1,628	631	9
West Virginia	12,991	8,448	7,915	532	1	3,003	1,622	1,331	817	643	431	594	7
Wisconsin	20,122	11,416	11,289	61	66	3,446	2,241	2,064	1,392	1,288	752	182	81
Wyoming	4,071	2,743	2,710	18	15	698	558	557	351	294	132	94	59

¹ This information was tabulated from the actuarial cards placed in supplementary alphabetical file in October, November, and December 1938; there-

fore, the count does not agree with the figures for account numbers issued. Source: Bureau of Old-Age Insurance, Baltimore Accounting Operations.

20 constituted 29.5 percent of all applicants, as compared with 32.1 percent in the third quarter. This is apparent confirmation of the theory that the extremely high proportion of young persons in the third-quarter applications was partly due to the entrance of graduates into the labor market and to the undergraduate quest for summer employment.

Nevertheless, the proportion of persons under 20 years of age was considerably higher in the

fourth quarter than in either the first or second quarters, or than the average for the entire year. Moreover, applicants in this youngest age group accounted for a higher proportion of the applications each quarter of the year than they did during 1936 and 1937. For the entire year 1938 the age group under 20 constituted 25.3 percent of the total, as compared with 9.5 percent of the total in the 10-percent sample of applications received in 1936 and 1937.

Table 9.—October-December applicants:¹ Distribution of female applicants for employee account numbers by color and age and by States

State	Total female applicants	Number of female applicants										
		Color			Age group (years)							
		White	Negro	Other	Under 20	20-24	25-34	35-44	45-54	55-64	65 and over	Unknown
Total.....	689,156	612,289	71,803	5,064	222,432	134,993	153,974	94,260	53,598	23,529	5,179	1,191
Alabama.....	8,059	5,809	2,248	2	2,378	1,806	2,192	970	499	145	43	26
Alaska.....	273	186	1	36	81	51	62	35	24	9	7	4
Arizona.....	3,206	2,967	203	36	790	658	815	514	312	185	21	1
Arkansas.....	8,236	7,339	893	4	2,558	1,680	2,076	1,073	561	239	47	2
California.....	61,501	57,887	2,608	1,006	14,375	10,818	15,170	10,120	6,887	3,317	795	19
Colorado.....	6,578	6,458	113	7	2,298	1,474	1,342	797	502	192	13	50
Connecticut.....	6,770	6,601	168	3	2,971	1,259	1,257	789	373	105	13	3
Delaware.....	2,346	1,590	755	1	712	445	511	346	191	97	43	1
District of Columbia.....	4,707	3,555	1,150	2	1,357	1,039	1,270	594	270	106	68	3
Florida.....	12,755	9,513	3,241	1	3,140	2,685	3,377	1,932	960	489	75	67
Georgia.....	14,457	10,237	4,219	1	4,636	3,351	3,675	1,756	687	219	54	79
Hawaii.....	3,699	900	3	2,766	1,341	899	814	400	194	43	8	-----
Idaho.....	3,710	3,703	3	4	1,211	784	768	432	341	160	13	1
Illinois.....	44,245	41,405	2,818	22	14,699	9,719	10,214	6,881	2,719	892	200	11
Indiana.....	15,879	14,557	1,319	3	4,903	2,927	3,420	2,374	1,464	697	90	4
Iowa.....	13,105	12,927	176	2	4,636	2,803	2,612	1,597	1,003	396	55	3
Kansas.....	9,501	8,806	688	7	3,309	1,925	2,155	1,134	821	380	69	8
Kentucky.....	9,825	8,589	1,236	-----	2,690	1,925	2,385	1,508	893	349	65	10
Louisiana.....	8,881	5,971	2,909	10	2,382	1,770	2,249	1,310	713	350	83	24
Maine.....	3,381	3,371	8	2	1,132	673	661	446	271	159	22	17
Maryland.....	8,702	6,401	2,299	2	2,927	1,546	1,929	1,280	639	311	66	4
Massachusetts.....	17,914	17,678	227	9	7,901	3,166	3,335	2,048	1,027	349	76	12
Michigan.....	29,775	26,340	3,370	65	10,690	5,422	6,220	3,971	2,368	983	138	13
Minnesota.....	16,245	16,057	111	77	5,621	3,703	3,193	1,830	1,247	596	51	4
Mississippi.....	4,437	3,446	990	1	1,250	1,056	1,224	550	248	92	9	8
Missouri.....	33,270	28,425	4,832	13	8,991	6,008	7,225	5,035	3,237	1,750	1,005	19
Montana.....	3,843	3,736	22	85	1,150	850	702	444	413	243	21	-----
Nebraska.....	6,992	6,818	151	23	2,190	1,563	1,466	839	596	302	36	-----
Nevada.....	861	830	15	13	209	171	210	124	91	43	13	-----
New Hampshire.....	1,891	1,880	10	1	670	348	348	209	163	67	25	1
New Jersey.....	30,151	26,838	3,296	17	11,177	4,547	6,217	4,276	2,552	1,125	232	25
New Mexico.....	1,259	1,232	21	6	385	280	302	174	84	31	3	-----
New York.....	79,496	71,856	7,354	286	29,364	13,091	17,296	11,195	5,537	2,399	570	44
North Carolina.....	13,429	9,349	4,077	3	4,620	3,278	3,167	1,501	579	214	41	29
North Dakota.....	3,013	2,973	3	37	1,086	843	463	321	209	84	7	-----
Ohio.....	39,762	34,503	5,244	15	11,461	7,620	8,423	5,910	3,852	2,064	409	23
Oklahoma.....	11,299	10,192	939	168	2,942	2,466	2,733	1,699	982	443	32	2
Oregon.....	9,974	9,877	69	28	2,455	2,013	2,214	1,591	1,119	497	83	1
Pennsylvania.....	39,262	37,224	2,029	9	15,353	7,614	8,034	4,572	2,445	924	239	71
Rhode Island.....	3,403	3,377	26	-----	1,630	482	657	426	138	41	9	-----
South Carolina.....	5,843	4,058	1,785	-----	1,942	1,308	1,440	667	287	91	12	96
South Dakota.....	3,216	3,132	2	82	1,130	693	579	382	273	147	12	-----
Tennessee.....	9,217	7,279	1,937	1	2,576	2,166	2,505	1,172	536	189	36	37
Texas.....	29,499	25,239	4,226	4	8,591	6,224	7,636	4,202	1,930	565	38	373
Utah.....	4,342	4,314	15	13	1,096	853	797	513	313	153	17	-----
Vermont.....	1,290	1,278	2	-----	471	239	202	168	120	55	16	9
Virginia.....	12,736	9,096	3,637	3	4,378	2,971	2,900	1,531	639	246	37	34
Washington.....	12,414	12,225	71	117	3,297	2,559	2,818	1,824	1,299	627	72	8
West Virginia.....	4,543	4,307	235	1	1,677	1,018	921	507	250	104	63	3
Wisconsin.....	8,706	8,638	51	17	3,048	1,915	1,834	1,056	585	230	17	21
Wyoming.....	1,328	1,319	6	3	434	319	259	155	105	35	10	21

¹ This information was tabulated from the actuarial cards placed in supplementary alphabetical file in October, November, and December 1938;

therefore, the count does not agree with total for account numbers issued. Source: Bureau of Old-Age Insurance, Baltimore Accounting Operations.

FINANCIAL AND ECONOMIC DATA

BUREAU OF RESEARCH AND STATISTICS

DIVISION OF OLD-AGE BENEFITS RESEARCH

Summary data for a number of financial items during the calendar year 1938 and for the month of December are presented below. Although such data are usually available on a fiscal-year basis, it is believed that comparisons of social security and total governmental financial operations on a calendar-year basis may prove of interest. Pertinent items in the Budget for the fiscal year ending June 30, 1940, which was transmitted by the President to Congress on January 5, are included. The report on proposed changes in the Social Security Act submitted by the Social Security Board to the President and to the Congress of the United States contains many proposals which would affect social security financing. This report appears in full in the January Bulletin. Two other recent reports, those of the Advisory Council on Social Security and the Special Senate Committee to Investigate Unemployment and Relief, contain recommendations also of significance to social security financing.

Expenditures Under the Social Security Act

Table 1 shows Federal appropriations and expenditures under the Social Security Act on a checks-paid basis as of December 31, 1938. Table 1 does not include any part of the administrative expenses incurred by the Bureau of Internal Revenue, the United States Public Health Service, or the Office of Education in connection with their functions under the Social Security Act, since these amounts cannot be segregated from other administrative expenses of these bureaus. Total administrative expenses under the Social Security Act of the agencies for which monthly data are reported amounted to \$21.7 million for the calendar year 1938. These expenditures were approximately \$33,000 below corresponding expenditures during 1937. During 1936, when the program was just getting under way, administrative expenses were only about \$3.7 million.

Total grants to States for old-age assistance during 1938 amounted to \$196 million, representing an increase of nearly 23 percent over similar payments during the previous year. Payments for aid to dependent children during 1938 were \$28.4 million as compared with \$19.3 million dur-

ing 1937. Payments for aid to the blind were \$5.1 million during 1938, an amount approximately \$100,000 below the amount for the previous year. Payments of \$56.4 million for the administration of unemployment compensation and State employment services during 1938 were 137 percent higher than corresponding payments during 1937, reflecting the inauguration of the unemployment compensation programs in 31 States during 1938. Expenditures in connection with the grants authorized by the Children's Bureau totaled \$8.3 million during 1938, an increase of about \$1.2 million over corresponding payments during 1937. Payments for public-health work amounted to \$8 million during the year, an amount about \$331,000 below that for 1937.

Checks paid to the appropriate State agencies in connection with the eight grants-in-aid programs listed in table 1 totaled \$12.3 million in December. Of this sum, 97.3 percent was for grants authorized by the Social Security Board, including \$9.9 million for old-age assistance, \$1.3 million for aid to dependent children, \$220,000 for aid to the blind, and \$560,000 for the administration of unemployment compensation and State employment services. Total payments in connection with grants authorized by the Children's Bureau amounted to \$330,000 in December. No payments to States for public-health work were made during December by the Public Health Service.

The amounts paid to each of the 48 States, the District of Columbia, Alaska, and Hawaii under the eight grants-in-aid programs are given in table 6 on the basis of checks issued. The amounts of grants authorized and certified by the Social Security Board to the Secretary of the Treasury for each State under the different grants-in-aid programs administered by the Board are shown in tables 7 and 8.

Transfers to the old-age reserve account during December were \$32 million, bringing to \$343 million the total amount transferred during 1938.

The relation of expenditures under the Social Security Act to all Federal expenditures may be seen in table 5. Expenditures of the Federal Government under the act during December formed 5.3 percent of total Federal expenditures,

exclusive of public debt retirement. Total expenditures of \$666 million under the act during 1938 represented 7.9 percent of total Federal expenditures for the same period. Approximately half of the social security expenditures during the year represented grants to States and administrative expenses, and the other half transfers to the old-age reserve account.

The Budget of the United States Government for the fiscal year 1939-40 was submitted to Congress by the President on January 5. An appropriation of \$23.5 million for administrative expenses of the Social Security Board is recommended, as compared with an appropriation for the present fiscal year of \$22.3 million. The recommended appropriation for old-age assistance for the coming fiscal year is \$225 million, an increase of \$11 million over the present appropriation. \$49 million, or an increase of \$9 million, is

recommended for grants for the administration of unemployment compensation and State employment services. The appropriations recommended for the six other grants-in-aid programs approximate those for the fiscal year 1938-39. An appropriation for the old-age reserve account of \$600 million is recommended, as compared with \$360 million for the current fiscal year. The appropriation for 1938-39 was, however, supplemented by \$113 million carried over from 1937-38; furthermore, it is recommended that \$30 million of the 1939-40 appropriation be made immediately available for transfer. The difference between funds made available for 1938-39 and those for 1939-40 is not, therefore, as great as it would seem to be.

Receipts Under Titles VIII and IX

The amounts of taxes collected under titles VIII and IX of the Social Security Act are shown in

Table 1.—Federal appropriations and expenditures under the Social Security Act for the fiscal year 1937-38, and for the fiscal year 1938-39 as of Dec. 31, 1938¹

Item	Fiscal year 1937-38		Fiscal year 1938-39	
	Appropriations ²	Expenditures to June 30, 1938 ³	Appropriations ²	Expenditures to Dec. 31, 1938 ³
ADMINISTRATIVE EXPENSES				
Social Security Board: Salaries and expenses, and wage records.....	\$10,500,000.00	\$19,613,584.38	\$22,300,000.00	\$10,521,629.62
Department of Commerce (Bureau of the Census): Salaries and expenses.....	25,000.00	8,513.70	80,000.00	31,804.79
Department of Labor (Children's Bureau): Salaries and expenses.....	306,000.00	336,379.18	320,000.00	157,414.48
Total, administrative expenses.....	10,831,000.00	19,958,477.26	22,700,000.00	10,710,848.89
GRANTS TO STATES				
Social Security Board:				
Old-age assistance.....	* 106,500,000.00	182,198,734.35	214,000,000.00	106,054,852.81
Unemployment compensation administration.....	* 22,500,000.00	* 41,910,919.49	40,000,000.00	* 30,841,211.45
Aid to dependent children.....	* 24,900,000.00	25,498,282.01	45,000,000.00	15,344,851.66
Aid to the blind.....	* 8,200,000.00	5,161,249.06	8,000,000.00	2,646,812.71
Total, Social Security Board.....	219,100,000.00	254,769,184.91	307,000,000.00	154,887,728.63
Department of Labor (Children's Bureau):				
Maternal and child-health services.....	3,700,000.00	3,775,545.57	3,700,000.00	1,822,412.86
Services for crippled children.....	2,800,000.00	2,691,940.82	2,800,000.00	1,496,627.43
Child-welfare services.....	1,475,000.00	1,305,749.56	1,500,000.00	884,453.41
Total, Department of Labor.....	7,975,000.00	7,833,235.95	8,000,000.00	4,203,523.70
Treasury Department (Public Health Service): Public-health work.....	8,000,000.00	8,892,079.88	8,000,000.00	3,501,898.72
Total, grants to States.....	235,075,000.00	271,494,500.74	323,000,000.00	162,593,151.05
Old-age reserve account (general fund) ⁷	500,000,000.00	387,000,000.00	360,000,000.00	205,000,000.00
Grand total.....	745,906,000.00	678,452,978.00	705,700,000.00	378,303,960.94

¹ This table follows the form used by the Treasury Department in reporting appropriations and expenditures pursuant to the provisions of the Social Security Act. Certain funds appropriated pursuant to the act are not included here, because they are not segregated from other funds appropriated for the same purposes. This is true of funds for vocational rehabilitation, for which there was appropriated \$1,800,000 for each of the fiscal years 1937-38 and 1938-39 for grants to the States, and \$95,000 for 1937-38 and \$104,650 for 1938-39 for administration. The U. S. Public Health Service received appropriations of \$1,600,000 for both 1937-38 and 1938-39 for research and administration, in addition to the sums for grants to the States shown in this table.

² Excludes unexpended balance of appropriations for previous fiscal year.
³ On a checks-paid basis. Includes expenditures from reappropriated balance of appropriations for the previous fiscal year.

⁴ After transfer of funds to old-age assistance from appropriations for aid to dependent children and aid to the blind.

⁵ Includes additional appropriation of \$3.5 million approved May 25, 1938.

⁶ Includes grants certified by the Social Security Board for payments to States for employment service administration to meet the requirements of the unemployment compensation program.

⁷ For a statement of the reserve fund status as of Dec. 31, 1938 (showing payments made and interest credited), see table 3.

Source: U. S. Treasury Department: Appropriations from the Office of the Commissioner of Accounts and Deposits, expenditures from the Daily Treasury Statement.

table 2. Receipts of taxes paid by employers and employees under title VIII during December amounted to \$2.5 million as compared with \$95.8 million received in November. Since these taxes are payable quarterly and are due 1 month after the close of each quarter, receipts during the third

month of each quarter are much smaller than those of the 2 preceding months.

Collections under title IX during December amounted to approximately \$518,000, raising to \$88.7 million the total receipts for the year. The December receipts consisted almost entirely of the

Table 2.—Federal tax collections under titles VIII and IX of the Social Security Act, by internal revenue collection districts, fiscal years 1937-38 and 1938-39, and cumulative to Dec. 31, 1938¹

[In thousands of dollars]

Internal revenue collection districts in—	Collections in the fiscal year 1937-38			Collections in the fiscal year 1938-39 to Dec. 31, 1938			Cumulative collections to Dec. 31, 1938		
	Total, titles VIII and IX	Under title VIII ²	Under title IX ³	Total, titles VIII and IX	Under title VIII ²	Under title IX ³	Total, titles VIII and IX	Under title VIII ²	Under title IX ³
All States.....	\$800,678.0	\$510,550.6	\$90,127.3	\$278,870.5	\$257,449.1	\$21,421.4	\$1,135,729.7	\$666,341.0	\$160,388.6
Alabama.....	4,149.9	3,646.6	503.3	1,910.8	1,808.5	102.3	7,708.8	6,875.3	833.4
Arizona.....	988.4	898.6	89.9	452.4	443.3	9.1	1,853.6	1,798.6	55.0
Arkansas.....	1,699.2	1,373.3	295.9	731.0	716.3	14.7	3,285.7	2,596.4	689.4
California (2 districts).....	34,706.8	30,970.5	3,736.3	17,820.0	17,200.8	619.3	65,836.9	59,594.3	6,242.6
Colorado.....	3,505.1	3,137.5	367.6	1,656.1	1,580.6	75.4	6,445.0	5,827.0	618.0
Connecticut.....	11,456.5	10,019.2	1,437.3	5,222.1	4,966.4	255.7	21,475.0	19,088.7	2,386.3
Delaware.....	3,407.9	2,840.3	567.6	1,540.5	1,362.5	184.0	6,553.2	5,332.6	1,220.6
Florida.....	4,027.9	3,288.3	739.6	1,819.5	1,731.6	87.9	8,208.3	6,437.9	1,770.5
Georgia.....	5,937.9	4,674.3	1,263.6	2,851.7	2,562.0	289.7	12,218.9	9,211.5	3,007.5
Hawaii.....	1,203.1	973.6	229.5	587.9	575.8	12.1	2,493.3	1,930.6	562.6
Idaho.....	1,063.1	964.2	98.9	500.0	495.6	4.4	1,954.6	1,800.3	154.3
Illinois (2 districts).....	61,001.8	47,840.0	13,161.8	26,176.0	24,078.8	2,097.2	119,472.5	90,895.0	28,577.5
Indiana.....	10,020.9	8,927.1	1,093.8	4,800.6	4,638.7	161.9	18,973.3	17,198.4	1,774.9
Iowa.....	5,009.3	4,510.9	498.4	2,552.7	2,484.4	68.3	9,516.4	8,540.2	976.3
Kansas.....	3,192.1	2,430.0	762.1	1,428.0	1,301.3	126.6	6,360.5	4,664.2	1,696.3
Kentucky.....	4,573.3	3,884.3	689.0	2,132.0	1,967.6	164.6	8,827.6	7,300.9	1,526.7
Louisiana.....	4,152.1	3,687.6	464.5	2,079.3	2,019.8	59.4	7,823.2	7,073.9	749.3
Maine.....	2,342.0	2,099.2	242.8	1,150.7	1,120.5	30.1	4,382.5	4,005.4	377.1
Maryland (including District of Columbia).....	10,357.1	8,813.3	1,543.8	5,114.8	4,767.3	347.5	19,642.6	17,002.4	2,640.3
Massachusetts.....	26,044.4	22,882.8	3,161.6	12,239.4	11,612.2	627.3	49,203.1	43,850.5	5,352.5
Michigan.....	36,955.6	33,023.0	3,932.7	14,303.8	13,107.1	1,196.7	65,373.9	58,482.7	6,891.3
Minnesota.....	8,999.5	7,615.7	1,383.8	4,297.1	4,117.7	179.4	16,999.1	14,523.0	2,476.1
Mississippi.....	1,356.1	1,233.2	122.9	672.1	658.4	13.8	2,507.6	2,318.0	189.6
Missouri (2 districts).....	17,224.0	13,141.1	4,082.9	7,710.7	7,163.5	547.2	34,338.6	25,600.2	8,738.3
Montana.....	1,147.9	953.2	194.7	537.9	515.0	23.0	2,256.3	1,795.9	460.4
Nebraska.....	3,185.2	2,412.7	772.5	1,472.4	1,337.3	135.0	6,321.1	4,606.0	1,715.1
Nevada.....	697.6	586.0	111.5	197.8	180.7	16.8	1,304.8	1,053.3	251.6
New Hampshire.....	1,489.1	1,349.4	139.6	795.5	768.7	26.8	2,915.9	2,684.4	231.5
New Jersey (2 districts).....	20,841.7	18,508.2	2,333.6	10,259.5	9,676.4	583.1	38,693.5	34,659.7	4,033.9
New Mexico.....	591.5	547.4	44.1	289.0	284.0	5.0	1,096.8	1,028.0	67.8
New York (6 districts).....	130,414.3	109,793.0	20,621.3	60,723.5	57,464.6	3,258.9	259,606.7	210,443.8	49,162.9
North Carolina.....	6,599.4	5,856.8	742.6	3,188.5	3,054.3	134.3	12,437.4	11,192.2	1,245.3
North Dakota.....	808.9	445.6	363.3	271.7	260.8	10.9	1,056.9	872.8	184.1
Ohio (4 districts).....	39,975.0	35,265.0	4,710.0	17,138.4	16,165.3	973.0	73,728.9	65,792.4	7,936.5
Oklahoma.....	5,643.6	5,049.0	594.5	2,731.9	2,612.0	119.9	10,532.8	9,444.7	1,088.1
Oregon.....	3,697.6	3,304.2	393.3	1,875.3	1,821.3	54.1	6,975.5	6,319.5	656.0
Pennsylvania (3 districts).....	57,629.1	51,119.7	6,509.4	25,459.7	23,969.1	1,470.6	106,544.1	95,514.0	11,030.0
Rhode Island.....	3,871.4	3,338.2	533.2	1,711.9	1,677.1	34.8	7,306.2	6,969.8	336.3
South Carolina.....	2,760.9	2,574.4	186.5	1,272.5	1,215.4	57.0	5,080.0	4,723.1	356.9
South Dakota.....	550.9	542.3	8.6	288.7	287.3	1.4	1,067.8	1,022.4	45.4
Tennessee.....	5,219.6	4,532.8	686.8	2,454.9	2,388.0	66.9	9,778.0	8,711.2	1,066.8
Texas (2 districts).....	13,830.5	12,370.5	1,460.0	6,920.7	6,351.4	569.3	25,630.0	22,994.8	2,635.1
Utah.....	1,362.7	1,230.4	132.3	640.0	632.0	7.9	2,545.7	2,325.4	220.3
Vermont.....	955.3	849.7	105.7	466.4	449.1	17.3	1,806.9	1,636.3	170.6
Virginia.....	5,461.6	4,753.9	707.8	2,751.2	2,637.7	113.5	10,362.8	9,146.0	1,216.8
Washington (including Alaska).....	7,354.6	6,015.3	1,339.3	3,388.4	3,211.5	177.0	14,599.7	11,332.4	3,267.3
West Virginia.....	5,107.5	4,583.6	523.9	2,293.2	2,187.8	105.4	9,450.6	8,601.4	849.2
Wisconsin.....	11,874.3	10,730.6	1,143.7	5,720.4	5,524.9	195.5	22,371.6	20,522.8	1,848.8
Wyoming.....	563.9	474.9	89.1	266.0	256.7	9.4	1,123.4	907.5	215.9

¹ These data are based on warrants covered by the Bookkeeping and Warrants Division of the Treasury Department and therefore are slightly different from the tax figures shown in table 5, which are based on Daily Treasury Statements. The amounts listed in this table represent collections made in the internal revenue collection districts in the respective States and covered into the U. S. Treasury. An amount received by a particular district does not necessarily represent taxes paid with respect to employment within the State in which that district is located.

² "Taxes with respect to employment." Effective Jan. 1, 1937, based on wages for employment as defined in sec. 811 of the Social Security Act, payable by both employer and employee.

³ "Tax on employers of 8 or more." Effective Jan. 1, 1936, based on wages for employment as defined in sec. 907 of the Social Security Act, payable by employers only. The sums here recorded represent taxes paid after deduction of credits for amounts paid into State unemployment funds. During part of the period to which these figures apply, employers were not able to claim these credits in some States whose unemployment compensation laws had not yet been certified by the Social Security Board.

Source: U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits.

fourth installment of taxes payable on pay rolls for 1937. The relative decline in collections during December results from the fact that the fourth installment of the tax on 1937 pay rolls was due October 31. Taxes under title IX on 1938 pay rolls were not due and payable until January 31, 1939. Combined tax collections under both titles VIII and IX during December, as may be seen in the first three columns of table 5, amounted to 0.4 percent of total Treasury receipts.

The Bureau of Internal Revenue, in connection with its administration of titles VIII and IX, recently held in a specific case that a horticultural society which was organized and incorporated by a special act of a State legislature is not an instrumentality of that State within the meaning of titles VIII and IX and that the society and its employees are subject to the taxes imposed under those titles.¹ In another recent decision, the Bureau ruled that real estate salesmen employed by an investment company are not employees of that company.² It also has held that "bonding agents," who execute appearance bonds in various courts and collect premiums on behalf of a bonding company, are not employees of that company within the meaning of titles VIII and IX.³ A Treasury Decision was issued by the Commissioner of Internal Revenue on November 30 which amends Regulations 90, promulgated in 1936, which relates to the tax on employers under title IX.⁴

The 1940 Budget, submitted to Congress on January 5, contains estimates of tax receipts under title VIII and under title IX for both the fiscal years 1938-39 and 1939-40. It is estimated that receipts under title VIII will total \$519.5 million during the current fiscal year and \$597.8 million during the next fiscal year. Comparison of these estimates with the actual receipts of \$514.3 million under title VIII during the fiscal year 1937-38 should take account of the fact that receipts during that year did not represent a full year's liability. The shift from a monthly to a quarterly basis of payment, effective in January 1938, had the effect of postponing until 1938-39 the receipt of taxes for April and May 1938. When this fact is taken into account, it is apparent that the estimated amount of title VIII collections in 1938-39 is somewhat

below that for 1937-38. The larger estimate for 1939-40, as contrasted with that for 1938-39, may be attributed in considerable measure to the 50-percent increase in title VIII tax rates effective January 1, 1940.

The Budget estimates for receipts under title IX are \$91 million for the fiscal year 1938-39 and \$89 million for 1939-40. These estimates may be compared with actual receipts of \$90 million in 1937-38. Two offsetting factors must be considered in a comparison of estimated receipts for 1938-39 and actual receipts for 1937-38. Receipts during 1938-39 will be based partly on a 2-percent tax rate and partly on a 3-percent rate, while those for 1937-38 were based partly on a 1-percent rate and partly on a 2-percent rate. On the other hand, there will be fewer employers who do not qualify for the 90-percent tax credit in 1938-39, as compared with the previous fiscal year. All tax liabilities during the year 1939-40 will be collected at the rate of 3 percent. The removal of railroad employment from the coverage of title IX, effective July 1, 1939, in accordance with the provisions of the Railroad Unemployment Insurance Act, will tend to offset this factor of increase.

Old-Age Reserve Account

Financial operations of the old-age insurance program during the calendar years 1937 and 1938 are shown in table 3. On December 1 an unexpended balance of \$300 million was available for transfer to the old-age reserve account during the remainder of the current fiscal year. During December an additional \$32 million was transferred from the appropriation to the account. Total transfers during the calendar year 1938 amounted to \$343 million. The entire amount transferred in December was invested in 3-percent special Treasury notes, increasing total Government securities held by the reserve account to \$862.3 million at the end of the month. During the calendar year 1938 aggregate acquisitions of special Treasury notes by the reserve account were \$349.2 million. In addition to the investment assets, an uninvested portion of approximately \$1.3 million remained with the disbursing officer at the end of the month.

Under title II of the Social Security Act, the Secretary of the Treasury is required to include in his annual report the actuarial status of the old-age reserve account. In accordance with this

¹ Internal Revenue Bulletin, 1938-52, S. S. T. 347.

² Internal Revenue Bulletin, 1938-51, S. S. T. 346.

³ Internal Revenue Bulletin, 1938-50, S. S. T. 345.

⁴ Internal Revenue Bulletin, T. D. 4876.

provision, the report of the Secretary of the Treasury for the fiscal year 1937-38 includes a valuation balance sheet for the account as of June 30, 1938. "Actuarial status" is interpreted in the report to mean a comparison of future benefit payments with funds on hand plus the future income of the account. The report includes in the future income of the account, for valuation purposes, assumed annual appropriations equal to annual tax receipts under title VIII less an administrative expense allowance of \$1 per year per covered individual.

The valuation balance sheet presented in the report indicates that the *discounted present value* of all future benefit payments was \$86,186 million on June 30. Against this were assets totaling \$77,038 million, including the \$777 million balance in the old-age reserve account and the *discounted present value* of all future tax collections (less administrative expenses) of \$76,261 million.

These estimates are based upon data tabulated from wage records of the Social Security Board and upon certain valuation assumptions. Among these assumptions are 34 million insured lives; a specified frequency distribution of these lives by age and sex; an average annual taxable wage

for the insured membership of approximately \$867; an ultimate level of regular membership of about 38 million lives; mortality as indicated in the United States Life Tables for White Males and for White Females, 1930; and an average age of retirement of about 66 years. The report points out that some of these assumptions are necessarily arbitrary because the system has not been in operation long enough to furnish adequate experience. On the basis of the valuation assumptions used, the figures cited above indicate that the total annual cost of the system as determined on an actuarial reserve basis exceeds annual tax receipts under title VIII by annual amounts equivalent to about 0.64 percent of the aggregate annual earnings taxable under title VIII. The report points out, however, that the estimated discrepancy of about 12 percent between future costs and future income may be well within the margin of error in the estimates, in view of the extremely arbitrary character of some of the assumptions and the fact that they apply to the distant future. Several more years of operation, according to the report, will make possible much more accurate estimates of the relationship between benefits and title VIII taxes.

Table 3.—Status of the old-age reserve account, by months, January 1937–December 1938

Year and month	Appropriation balance on first of month ¹	Transfers from appropriation to account	Interest received by account	3-percent special Treasury notes acquired	Deposits with disbursing officer for benefit payments	Benefit payments	Cash with disbursing officer at end of month
1937							
January.....	\$265,000,000.00	\$45,000,000	-----	\$45,000,000	-----	\$0.00	\$0.00
February.....	220,000,000.00	45,100,000	-----	45,000,000	\$100,000.00	.00	100,000.00
March.....	174,900,000.00	45,000,000	-----	45,000,000	-----	.00	100,000.00
April.....	129,900,000.00	45,000,000	-----	45,000,000	-----	229.79	99,770.21
May.....	84,900,000.00	45,000,000	-----	45,000,000	-----	7,065.20	92,705.01
June.....	39,900,000.00	39,900,000	² \$2,261,810.97	42,100,000	-----	19,674.36	73,030.65
July.....	500,000,000.00	42,000,000	(²)	41,000,000	³ 1,061,810.97	46,357.05	1,088,484.57
August.....	458,000,000.00	41,000,000	-----	41,000,000	-----	108,080.84	980,403.73
September.....	417,000,000.00	41,000,000	-----	41,000,000	-----	99,472.23	880,931.50
October.....	376,000,000.00	41,000,000	-----	41,000,000	-----	169,348.62	711,582.88
November.....	335,000,000.00	41,000,000	-----	41,000,000	-----	263,972.60	447,610.19
December.....	294,000,000.00	43,000,000	-----	41,000,000	2,000,000.00	302,274.87	2,145,335.32
1938							
January.....	251,000,000.00	41,000,000	-----	41,000,000	-----	581,004.99	1,564,330.33
February.....	210,000,000.00	41,000,000	-----	41,000,000	-----	602,215.64	962,114.69
March.....	169,000,000.00	43,000,000	-----	41,000,000	2,000,000.00	736,132.95	2,225,981.74
April.....	126,000,000.00	10,800,000	-----	10,800,000	⁴ -23.35	841,022.47	1,384,958.92
May.....	115,200,023.35	2,200,000	-----	0	⁵ 2,199,921.36	823,297.05	2,761,500.23
June.....	113,000,101.99	0	15,412,232.89	15,400,000	⁶ -56.56	830,883.47	1,030,620.20
July.....	473,012,391.44	38,000,000	-----	38,000,000	⁷ -134.05	779,513.08	1,150,973.07
August.....	435,012,525.49	38,000,000	-----	33,000,000	⁸ 4,999,733.27	826,495.23	5,324,211.11
September.....	397,012,792.22	33,000,000	-----	33,000,000	⁹ -546.86	853,254.97	4,470,409.28
October.....	364,013,339.08	32,000,000	-----	32,000,000	¹⁰ -81.65	1,073,917.60	3,396,410.03
November.....	332,013,420.73	32,000,000	-----	32,000,000	¹¹ -215.23	1,023,045.32	2,373,149.48
December.....	300,013,635.96	32,000,000	-----	32,000,000	¹² -218.86	1,077,369.15	1,295,561.47
Cumulative to Dec. 31.....	268,013,854.82	857,000,000	17,674,043.86	862,300,000	12,360,189.04	11,064,627.87	1,295,561.47

¹ On the books of the Bookkeeping and Warrants Division of the Treasury Department. \$265 million was appropriated to the old-age reserve account for the fiscal year 1936-37, \$500 million for the fiscal year 1937-38, and \$360 million for the fiscal year 1938-39. See footnote 3 below for explanation of additions to appropriation.

² \$61,810.97 of the interest earned during the first 6 months of 1937 was

held as an appropriation balance until July 1937, at which time it was transferred to the disbursing officer.

³ Collections of improper payments made to claimants have been deducted and transferred to the appropriations.

Source: Computed from data furnished by the Daily Treasury Statements.

Certain estimates and recommendations regarding reserve-account operations during the coming fiscal year are included in the Budget message. As indicated above, it is estimated that title VIII tax collections during 1939-40 will amount to \$597.8 million. It is recommended that the appropriation to the reserve account for the same fiscal year be \$600 million. Transfers from the appropriation to the old-age reserve account during 1939-40 are estimated at \$570 million. The other \$30 million, as pointed out above, will be made available for the year 1938-39. If, in fact, tax receipts are as estimated here and if the recommendations as to the appropriation are followed, total title VIII receipts for the first 4 fiscal years of operation ending June 30, 1940, will be \$1,826 million, while both cumulative appropriations and cumulative transfers through the same date will amount to \$1,725 million. The difference between these two figures reflects approximately the amounts estimated for administrative expenses. It is estimated in the Budget message that interest on the investments of the account will be \$44 million in 1939-40. Benefit payments under the present provisions of title II are estimated at \$35 million for the same period. This will leave a balance available for investment during 1939-40 of \$579 million. On the basis of these estimates and recommendations, the Budget indicates that Government securities amounting to \$1,751 million will be held by the old-age reserve account on June 30, 1940.

In its report to the President, the Board recommended modification and expansion of the benefits now provided under title II which would have the effect of substantially increasing benefit payments during the early years. Adoption of these recommendations would result in a much smaller reserve under present tax provisions than would be the case under existing benefit provisions and in a substantial reduction of the interest income of the reserve. The Board expressed the opinion that the deficiency resulting from the reduced interest income should be met out of taxes other than pay-roll taxes, preferably from taxes levied according to ability to pay. The Board recommended that such other taxes should not be substituted for any part of the pay-roll taxes now specified in title VIII but that such other taxes should be used only when current benefit payments exceed title VIII receipts plus interest from the reserve.

The Advisory Council included in its report a number of recommendations concerning the financing of the program, in addition to its recommendations on benefits and coverage under the old-age insurance program. The report states it to be the belief of the Council that the ultimate annual cost of the benefit program proposed by it should not exceed that involved in the present provisions of title II, although the volume of benefit payments would be increased in the early years. The recommendations on changes in financing the program are made on the assumption that the benefit and coverage recommendations will be put into effect. The Council proposes that the Federal Government participate directly in financing the old-age insurance program, through contributions derived from sources other than pay-roll taxes, and that the eventual cost of the plan be distributed approximately equally among employers, employees, and the Government. Thorough study as further information is available is recommended with regard to the important problem of the timing of the Government contributions.

In view of the recommendations that benefit payments be increased in the early years and that the Government participate in financing the plan, the Council believes that the size of the old-age reserve will be much smaller than contemplated under the present act. It points out that it is unnecessary to maintain a full invested reserve *provided* that definite provision is made for governmental participation in financing the program. As a result, the only invested fund that it recommends is a reasonable contingency fund to insure the ready payment of benefits and to avoid abrupt changes in tax and contribution rates.

The report of the Council recommends that consideration of change in the tax schedule under title VIII be postponed until after the rates of 1½ percent each on employers and employees, now scheduled under the Social Security Act for 1940, go into effect. This recommendation is based on the facts that it has proposed larger benefits for the early years than previously contemplated, and also that information is too fragmentary to make possible exact cost estimates for 1940. With respect to the tax increases provided in title VIII after 1942, it recommends that further study be made after more information is available.

Other financial recommendations which deal with the technical handling of the fund are made

in the Council's report. In the first place, it recommends that Treasury reports should annually estimate the amounts of future benefit payments and tax receipts. A second recommendation is that the reserve fund be made a trust fund with designated trustees acting on behalf of the beneficiaries, and that this fund be dedicated exclusively to benefit payments and, in a restricted amount, to administrative costs. Still another recommendation is that the net amount of title

VIII tax collections be credited automatically to this fund through permanent appropriation. It is also recommended that this fund be invested in securities of the Federal Government as at present. In an appendix to the report, the Council repeats its statement previously made that "The members of the Council, regardless of differing views on other aspects of the financing of old-age insurance, are of the opinion that the present provisions regarding the investment of the moneys in the

Table 4.—Status of the unemployment trust fund as of Dec. 31, 1938

State	Contributions first collectible on pay rolls for 1—	Fiscal year 1937-38					Fiscal year 1938-39				
		Balance as of June 30, 1937	Contributions deposited	Interest credited	Withdrawals ¹	Balance as of June 30, 1938	Contributions deposited July 1-Dec. 31, 1938	Interest credited July 1-Dec. 31, 1938 ¹	Withdrawals July 1-Dec. 31, 1938	Balance as of Dec. 31, 1938	
Total		\$313,602,561.52	\$748,813,895.53	\$15,172,022.11	\$195,720,000	\$881,868,479.16	\$403,622,256.91	\$11,987,500.01	\$212,580,000	\$1,084,808,236.06	
Alabama	1936	4,911,753.12	6,627,909.79	184,428.43	4,250,000	7,474,091.34	3,694,263.40	84,813.73	4,000,000	7,253,168.47	
Alaska	1937		498,958.23	3,623.36		602,581.59	360,496.91	7,892.87		870,971.37	
Arizona	1936	930,784.65	1,815,356.24	39,169.71	1,200,000	1,585,310.60	1,000,000.00	21,039.89	870,000	1,736,380.40	
Arkansas	1937		3,575,206.47	40,550.14		3,615,756.61	1,534,180.60	54,710.98		5,204,648.19	
California	1936	27,909,344.34	63,495,000.00	1,470,081.18	12,200,000	80,674,425.52	37,156,628.64	1,144,700.17	14,020,000	104,958,754.33	
Colorado	1936	2,309,943.41	4,035,587.42	109,492.72		6,455,023.55	2,387,691.57	94,965.08		8,937,680.20	
Connecticut	1936	8,446,814.60	12,153,000.00	308,356.68	8,250,000	12,658,171.28	7,380,000.00	168,958.39	4,350,000	15,857,129.67	
Delaware	1937		2,801,683.16	21,716.99		2,823,400.15	1,038,631.31	41,615.60		3,903,647.06	
District of Columbia											
Florida	1936	3,528,047.77	5,177,939.64	141,647.08	825,000	8,022,634.49	3,140,744.60	113,618.78	850,000	10,426,997.87	
	1937		6,995,820.77	57,707.18		7,053,527.95	2,615,000.00	103,810.39		9,772,338.34	
Georgia	1937		10,787,192.82	91,903.17		10,859,097.99	3,750,000.00	158,246.38		14,767,343.37	
Hawaii	1937		2,148,537.76	16,078.28		2,164,616.04	983,696.49	32,961.62		3,181,274.13	
Idaho	1936	904,010.47	1,599,933.38	44,153.01		2,545,096.85	987,948.81	36,276.93	550,000	3,019,322.60	
Illinois	1937		84,314,013.81	494,422.54		84,778,436.35	31,655,000.00	1,296,625.28		117,700,061.63	
Indiana	1936	14,058,452.89	15,135,803.50	544,966.71	2,500,000	27,239,223.10	9,129,115.87	296,012.69	14,000,000	22,664,351.68	
Iowa	1936	2,756,610.16	7,000,000.00	163,112.59		9,919,722.75	3,800,000.00	128,389.77	2,750,000	11,068,112.03	
Kansas	1937		7,122,280.98	78,795.43		7,201,076.41	2,848,222.02	108,490.21		10,157,787.74	
Kentucky	1936	2,510,459.81	10,682,000.00	219,047.99		13,411,507.80	5,050,000.00	196,399.96		18,657,837.79	
Louisiana	1936	3,824,169.43	7,475,000.00	176,949.09	1,750,000	9,728,118.52	4,525,000.00	135,030.37	2,525,000	11,861,148.89	
Maine	1936	1,890,889.88	3,050,000.00	72,428.21	2,700,000	2,283,318.09	1,965,000.00	28,114.66	1,875,000	2,401,432.75	
Maryland	1936	3,016,919.51	9,890,000.00	181,963.59	6,300,000	6,698,883.10	5,800,000.00	98,147.60	4,200,000	8,397,033.79	
Massachusetts	1936	18,899,145.19	39,300,000.00	888,931.07	15,000,000	44,058,076.25	19,100,000.00	581,240.80	13,000,000	50,739,317.06	
Michigan	1936	13,131,614.83	47,996,290.15	915,648.11		62,033,523.14	14,474,450.80	586,345.48	41,500,000	35,294,319.43	
Minnesota	1936	4,729,730.48	11,700,000.00	231,688.86	5,500,000	11,161,419.34	7,000,000.00	159,228.32	3,000,000	15,320,649.66	
Mississippi	1936	1,146,582.13	2,107,596.67	53,114.26	650,000	2,557,293.06	1,216,000.00	34,903.05	1,000,000	2,908,196.11	
Missouri	1937		24,094,668.20	148,029.36		24,242,697.56	9,200,000.00	302,599.03		33,895,296.59	
Montana	1937		3,050,697.20	33,037.21		3,083,734.41	1,450,000.00	48,280.73		4,582,015.14	
Nebraska	1937		4,801,135.90	37,823.51		4,838,959.41	1,964,000.00	73,952.63		6,876,912.04	
Nevada	1937		1,028,946.31	12,084.56		1,041,030.87	458,591.99	15,710.69		1,515,333.65	
New Hampshire	1936	2,300,138.55	3,054,871.43	86,463.48	2,070,000	3,371,473.46	1,373,659.97	42,162.89	1,070,000	3,717,296.33	
New Jersey	1936	16,635,414.88	27,176,000.00	722,521.95		44,533,936.83	21,248,000.00	676,666.39		66,458,603.22	
New Mexico	1936	654,159.04	975,000.00	28,701.88		1,657,860.92	750,000.00	25,987.24	50,000	2,383,848.16	
New York	1936	56,663,174.64	90,800,000.00	2,184,506.42	50,000,000	99,647,681.06	73,620,000.00	1,444,269.43	38,000,000	136,711,930.40	
North Carolina	1936	5,552,855.72	8,255,000.00	206,067.64	5,575,000	8,438,923.36	5,861,000.00	102,315.94	3,950,000	10,452,239.30	
North Dakota	1937		1,263,116.11	13,135.64		1,276,251.75	540,141.73	18,983.90		1,835,377.36	
Ohio	1936	17,119,822.46	52,102,364.27	1,173,458.70		70,395,645.43	25,293,215.81	1,019,333.40		96,708,224.64	
Oklahoma	1936	3,527,980.14	6,080,000.00	156,611.72		9,764,591.86	3,215,000.00	139,564.70	255,000	12,894,156.56	
Oregon	1936	3,351,296.64	5,184,881.46	119,389.84	4,000,000	4,655,567.94	3,217,491.19	62,676.90	2,100,000	6,835,736.03	
Pennsylvania	1936	38,004,190.67	65,522,000.00	1,527,735.83	38,500,000	66,553,926.50	36,092,000.00	783,961.20	35,000,000	68,339,887.70	
Rhode Island	1936	4,505,597.43	7,207,179.25	155,046.86	6,800,000	5,067,823.54	4,254,280.54	67,678.77	2,550,000	6,839,682.65	
South Carolina	1936	2,517,695.89	3,525,000.00	103,101.08		6,145,796.97	2,050,000.00	84,716.75	600,000	7,680,513.73	
South Dakota	1936	473,367.73	870,000.00	23,672.77		1,367,040.50	570,000.00	20,936.93		1,957,977.43	
Tennessee	1936	3,818,051.16	6,620,000.00	158,400.99	3,500,000	7,096,452.15	3,800,000.00	89,418.00	2,900,000	8,145,870.15	
Texas	1936	10,658,749.45	18,810,000.00	462,744.10	4,200,000	25,731,493.55	10,820,000.00	354,755.96	5,400,000	31,506,249.51	
Utah	1936	1,122,597.42	2,190,000.00	48,291.01	1,725,000	1,635,888.43	1,290,000.00	23,593.31	755,000	2,164,481.74	
Vermont	1936	660,644.80	1,273,729.43	29,270.81	575,000	1,388,645.04	722,705.53	19,538.38	250,000	1,880,888.95	
Virginia	1936	4,321,153.45	7,475,000.00	183,336.92	2,950,000	9,029,490.37	4,775,000.00	118,955.18	2,750,000	11,173,445.65	
Washington	1937		12,975,692.61	134,744.43		13,110,347.04	5,000,000.00	192,151.67		18,302,498.71	
West Virginia	1936	3,612,222.38	10,078,000.00	176,815.21	8,600,000	5,297,037.59	4,598,000.00	62,027.05	3,610,000	6,317,064.64	
Wisconsin	1934	23,258,176.35	15,406,155.72	709,282.27	6,100,000	33,273,614.34	8,192,069.13	430,019.78	4,850,000	37,045,703.25	
Wyoming	1937		1,632,467.75	17,769.54		1,650,237.29	705,000.00	24,925.16		2,380,162.45	

¹ Contributions payable under State unemployment compensation laws. Contributions from employers are collectible in all States; in addition, the following States require employee contributions on wages earned: Alabama, California, Kentucky, Louisiana, Massachusetts, New Jersey, Rhode Island. (Employee contributions in Massachusetts have been suspended for the period July 1, 1938-June 30, 1939.)

² Represents withdrawals since Jan. 1, 1938, except in the case of Wisconsin, which had withdrawn \$2,250,000 previous to that date.

³ Interest is credited at the end of each quarter of the fiscal year.

Source: Computed from data furnished by the U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits.

old-age reserve account do not involve any misuse of these moneys or endanger the safety of these funds."

Unemployment Trust Fund

The status of the unemployment trust fund as of December 31, 1938, is shown in table 4. This table shows, for each State, the amount of contributions deposited in the unemployment trust fund, the amount of interest credited, withdrawals, and the resulting balance to the credit of each State. Total deposits by States in the fund during December amounted to \$33.3 million. During the same period, withdrawals from the fund by States for the payment of benefits totaled \$20.1 million. The total balance in the fund increased about \$19.5 million during December. According to the Daily Treasury Statement, investment holdings increased \$32 million during the month, causing total holdings of Government obligations by the trust fund to rise to \$1,064 million as of the end of December. The remainder of the fund was held in the form of an unexpended balance in the disbursing account.

During the calendar year 1938 total receipts of the fund, including deposits by States and interest on investments, were \$838.7 million as compared with withdrawals of \$404.0 million. This excess of receipts over withdrawals led to a net addition of \$439.3 million to the certificates of indebtedness held by the fund during the year. In interpreting the relationship between income and withdrawals, it must be remembered that 20 States had not yet made their first withdrawal from the fund by the end of 1938. In addition, six States made their first withdrawal during the latter half of the year.

The 1940 Budget estimate for deposits by States is \$748.9 million; interest on investments is estimated at \$32.3 million, resulting in a total income for the fund of \$781 million. The estimate of withdrawals by States is \$500 million. These figures pertain only to the State accounts and are exclusive of the railroad unemployment insurance account in the fund. The projected transfer of \$69 million from the State unemployment compensation accounts in the fund to the railroad unemployment insurance account will further reduce the balance available for investment on behalf of the State accounts; this transfer will be made in accordance with the provisions of the Railroad Unemployment Insurance Act. The Budget mes-

sage indicates that the residual sum available for investment during the fiscal year 1939-40 will be \$212 million, and that Government securities held for the State accounts in the fund at the end of that fiscal year will be \$1,421 million.

Social Security Issues and Total Governmental Debt

Monthly changes in the volume of social security issues and in the public debt appear in table 5. During December the old-age reserve account and unemployment trust fund acquired additional Government obligations totaling \$64 million, all of which were special issues. During the same period the public debt, exclusive of social security issues, increased \$760 million. During the calendar year 1938, acquisitions of Government obligations by the two social security funds amounted to \$788 million, whereas the public debt, exclusive of social security issues, increased \$1,360 million.

On December 15 the Treasury sold publicly for cash subscription two new series of Government obligations totaling approximately \$700 million. One series consisted of 22-27 year 2½-percent Treasury bonds maturing in 1960-65, of which the offering was approximately \$400 million. The other series were 5-year 1½-percent Treasury notes maturing in 1943, the offering of which totaled about \$300 million. At the same time, the holders of 1½-percent Treasury notes maturing March 15, 1939, were offered the privilege of exchanging such maturing notes for additional amounts of either the Treasury bonds or the Treasury notes offered for cash subscription, or for a new series of 9-year 2-percent Treasury bonds maturing in 1947. These December 15 financing operations are reflected in the public-debt data for December, shown in table 5.

Federal Grants to States

Grants to States authorized and certified by the Social Security Board through January are shown in tables 7 and 8. The method of allocating grants among the States for the programs administered by the Social Security Board was one of the subjects discussed in the report submitted by the Board to the President. In this report the Board indicated its belief that it is essential to modify the present system of uniform percentage grants to States in such a way that the percentage of the total cost of the program in each State

which would be met through a Federal grant would vary in accordance with the relative economic capacity of the State. The present system of uniform percentage grants, according to the report, results at best in an unnecessarily large amount of money flowing in and out of the Federal Treasury and, at worst, in increasing the inequalities which now exist in the relative economic capacities of the States. It is recommended, however, that the proposed system of variable grants should be accompanied by a minimum and maximum limitation to the percentage of total costs in a State which would be met by the Federal grant. The desirability of establishing an interdepartmental agency, composed of departments collecting and analyzing economic data, was indicated, with the suggestion that such an agency be assigned re-

sponsibility for determining the relative economic capacity of the various States, upon the basis of which varying percentages of Federal grants would be computed.

The report of the Board recommended that the formula for grants to States for aid to dependent children be modified so as to conform with the 50-percent matching formula now provided for the other two public-assistance programs. The recommendation was also included that the formula for grants for State administrative expenses under titles I and X be amended in such a way that the Federal grants would reimburse the States for 50 percent of the necessary cost of administration.

The Special Senate Committee to Investigate Unemployment and Relief has also been studying the general problems involved in developing a for-

Table 5.—Receipts, expenditures, and issues under the Social Security Act, and total governmental receipts, expenditures, and debt for the fiscal years ended June 30, 1936, June 30, 1937, and June 30, 1938, and by months, October 1937–December 1938

[In millions of dollars]

Fiscal year and month	Receipts of the Federal Government			Expenditures of the Federal Government				Excess receipts (+) or expenditures (-)	General fund balance	Amount of and changes in public debt								
	Total, all sources	Taxes under the Social Security Act ¹	All other	Total	Under the Social Security Act		All other			Amount of public debt				Monthly changes (+) or (-) in public debt				
					Grants to States and administrative expense	Transfers to old-age reserve account				Total	Exclusive of social security issues	Social security issues for—		Total	Exclusive of social security issues	Social security issues for—		
												Old-age reserve account	Unemployment trust fund			Old-age reserve account	Unemployment trust fund	
Total, 1935-36	\$4, 116	-----	\$4, 116	\$8, 666	\$28	-----	\$8, 638	-\$4, 550	+\$840	\$33, 779	\$33, 760	-----	\$19	+\$5, 078	+\$5, 059	-----	+\$19	
Total, 1936-37	5, 294	\$252	5, 042	8, 442	183	-----	\$265	7, 904	-3, 149	-128	36, 425	35, 846	\$267	312	+2, 646	+2, 086	+\$267	+280
Total, 1937-38	6, 242	604	5, 638	7, 626	291	-----	387	6, 948	-1, 384	-338	37, 165	35, 631	662	872	+740	-215	+395	+590
1937																		
October	333	52	281	606	40	-----	41	525	-273	-184	36, 956	36, 029	431	496	+81	+2	+41	+38
November	327	36	291	494	31	-----	41	422	-167	-68	37, 094	36, 043	472	574	+138	+19	+41	+78
December	866	69	796	678	13	-----	43	622	+188	+365	37, 279	36, 141	513	625	+185	+63	+41	+61
1938																		
January	335	57	278	533	45	-----	41	447	-108	-23	37, 453	36, 250	554	649	+174	+109	+41	+24
February	349	80	269	515	18	-----	41	456	-166	+25	37, 633	36, 304	595	734	+180	+54	+41	+45
March	959	3	956	748	9	-----	43	696	+211	+166	37, 556	36, 176	636	744	-77	-128	+41	+30
April	273	33	240	642	37	-----	11	599	-369	-451	37, 510	36, 122	647	741	-46	-54	+11	-3
May	375	105	270	568	22	-----	2	544	-193	-122	37, 422	35, 949	647	826	-88	-173	0	+55
June	774	5	769	930	24	-----	0	906	-156	-351	37, 165	35, 631	662	872	-257	-318	+15	+46
Total, 1938-39 to Dec. 31	2, 927	280	2, 647	4, 504	173	-----	205	4, 126	-1, 577	+868	39, 427	37, 501	862	1, 064	+2, 262	+1, 870	+200	+192
July	311	31	280	782	40	-----	38	684	-451	-100	37, 191	35, 619	700	872	+26	-12	+38	0
August	487	106	381	683	32	-----	38	613	-196	+144	37, 593	35, 906	733	954	+402	+287	+33	+82
September	711	3	708	751	10	-----	33	708	-40	+719	38, 393	36, 677	766	950	+800	+771	+33	-4
October	332	34	298	769	49	-----	32	688	-437	-409	38, 423	36, 689	798	936	+30	+12	+32	-14
November	382	103	279	677	28	-----	32	617	-295	-122	38, 603	36, 741	830	1, 032	+180	+52	+32	+96
December	704	3	701	862	14	-----	32	816	-158	+636	39, 427	37, 501	862	1, 064	+824	+790	+32	+33

¹ Federal tax receipts under titles VIII and IX of the Social Security Act. These data are from the Daily Treasury Statements and therefore are different from the tax collections in table 2 which are based on warrants covered by the Bookkeeping and Warrants Division of the Treasury Department.

² Exclusive of public debt retirement. On the basis of "checks paid," i. e., checks cashed and returned to the U. S. Treasury.

Source: Computed from data furnished by the Daily Treasury Statements.

mula for allocating grants among the States. The report of this Committee was released on January

14. The majority of the Committee recommended that the Federal grant for the public-assistance

Table 6.—Federal grants to States under the Social Security Act: Checks issued by the Treasury Department in the fiscal year 1937-38 and in the fiscal year 1938-39 to Dec. 31, 1938¹

[In thousands of dollars]

State	Fiscal year 1937-38, total grants	Fiscal year 1938-39 to Dec. 31, 1938								
		Total grants	Social Security Board				Department of Labor			Treasury Department
			Old-Age assistance	Aid to dependent children	Aid to the blind	Unemploy- ment com- pensation adminis- tration ¹	Maternal and child- health services ²	Services for crippled children ³	Child- welfare services ⁴	
Total, all participating States.	\$274,956.9	\$160,958.3	\$104,007.4	\$15,403.6	\$2,603.7	\$30,700.8	\$2,032.7	\$1,735.8	\$1,000.3	\$3,474.0
Alabama.....	2,599.9	1,325.4	483.5	205.9	13.9	379.6	53.2	38.9	33.2	117.0
Alaska.....	252.8	140.1	82.1	(⁶)	(⁶)	19.8	13.8	2.4	4.0	17.9
Arizona.....	1,417.3	1,033.9	602.8	161.8	23.2	156.4	35.9	12.1	14.3	27.4
Arkansas.....	1,804.9	831.1	373.6	75.2	11.0	205.8	50.8	56.1	15.5	43.0
California.....	25,545.7	14,369.6	10,998.6	830.3	549.8	1,741.6	40.4	54.9	20.0	133.8
Colorado.....	6,494.2	3,745.7	3,174.2	256.9	53.0	194.8	15.3	26.4	14.0	21.1
Connecticut.....	3,845.4	2,082.7	1,237.1	(⁶)	8.2	732.2	38.6	9.4	10.8	46.5
Delaware.....	496.3	279.3	77.8	33.5	(⁶)	119.2	19.2	4.1	10.6	15.0
District of Columbia.....	1,188.6	647.6	237.7	85.7	17.4	221.4	32.5	12.4	12.4	28.2
Florida.....	2,918.4	1,963.5	1,442.0	75.1	79.2	232.6	38.3	20.1	11.3	64.8
Georgia.....	2,340.6	1,794.9	902.4	214.1	39.4	345.1	67.8	66.0	42.9	117.2
Hawaii.....	498.8	287.4	74.8	77.4	0	73.3	15.5	11.9	5.4	29.1
Idaho.....	1,687.3	979.5	571.6	137.4	19.4	190.7	18.0	7.6	6.3	28.5
Illinois.....	14,977.1	8,099.8	7,255.9	(⁶)	(⁶)	437.2	71.8	158.2	29.9	146.8
Indiana.....	8,072.2	4,820.9	2,717.9	569.0	141.9	899.4	31.0	40.6	32.1	89.2
Iowa.....	5,697.0	3,884.5	3,047.3	(⁶)	79.8	303.6	21.2	18.1	34.9	79.5
Kansas.....	2,192.8	2,225.8	1,498.7	253.3	57.0	253.4	34.7	26.6	13.2	58.8
Kentucky.....	2,844.2	1,656.3	1,169.7	(⁶)	(⁶)	268.6	37.9	42.5	33.1	104.4
Louisiana.....	3,289.2	1,971.1	898.4	484.8	27.4	431.8	47.2	(⁶)	21.0	60.5
Maine.....	1,452.7	1,458.4	892.4	114.3	103.3	251.2	23.6	26.0	11.3	36.3
Maryland.....	3,943.2	2,143.1	949.1	521.4	39.4	481.6	48.8	24.8	19.4	58.7
Massachusetts.....	15,083.4	9,885.7	7,092.5	799.2	85.5	1,729.3	36.1	31.7	5.6	105.9
Michigan.....	10,128.7	7,733.1	4,736.7	747.0	41.3	1,961.9	55.6	61.7	8.9	120.1
Minnesota.....	10,578.8	5,549.7	4,124.0	401.1	59.6	788.3	32.0	33.9	25.2	85.7
Mississippi.....	1,060.1	780.0	437.8	(⁶)	4.6	172.3	37.2	14.2	22.5	91.4
Missouri.....	7,090.6	4,462.4	3,305.9	390.1	(⁶)	566.7	53.5	60.5	30.8	54.9
Montana.....	1,840.6	1,236.0	929.7	152.1	0	56.4	28.6	22.3	15.2	31.7
Nebraska.....	2,877.2	2,136.8	1,559.1	297.4	41.0	157.5	16.2	40.4	20.5	4.5
Nevada.....	438.2	285.8	173.2	(⁶)	(⁶)	81.6	14.2	6	8.3	8.0
New Hampshire.....	1,100.8	643.6	319.1	30.3	19.8	226.4	19.7	7.3	5.1	16.0
New Jersey.....	4,685.2	3,852.2	1,705.1	789.2	47.7	1,111.8	54.7	25.5	18.4	99.8
New Mexico.....	729.1	422.2	137.4	68.5	8.8	104.3	52.3	10.6	4.5	35.7
New York.....	26,117.0	16,351.4	8,502.9	2,188.4	158.5	5,116.4	81.3	92.9	23.2	217.8
North Carolina.....	3,295.4	2,376.3	1,059.1	316.7	97.2	602.7	76.8	47.5	42.9	133.4
North Dakota.....	1,088.4	632.2	432.3	64.9	2.0	84.7	15.2	18.6	14.7	0
Ohio.....	18,575.8	7,519.7	5,356.0	647.4	200.5	983.3	44.2	95.3	40.1	152.9
Oklahoma.....	5,788.9	4,542.4	3,348.9	485.7	116.0	373.7	66.7	41.8	45.1	64.6
Oregon.....	3,201.8	1,808.7	1,219.0	110.8	33.7	363.7	25.9	6.8	16.6	32.1
Pennsylvania.....	24,139.6	11,221.2	5,595.7	1,433.7	(⁶)	3,799.6	85.5	61.3	32.9	212.4
Rhode Island.....	1,633.6	964.1	425.6	91.7	(⁶)	379.1	19.5	7.8	9.5	31.0
South Carolina.....	1,729.8	1,404.4	692.5	174.2	29.4	264.9	78.2	35.7	25.6	104.0
South Dakota.....	1,541.4	1,413.7	1,261.8	(⁶)	13.4	63.3	19.3	11.0	15.6	29.3
Tennessee.....	3,080.9	2,090.4	942.6	409.5	68.7	465.6	55.8	33.7	18.9	95.6
Texas.....	12,841.6	6,191.6	4,865.7	(⁶)	(⁶)	946.5	83.7	103.8	51.8	140.2
Utah.....	2,870.6	1,483.4	1,033.8	186.5	18.4	160.6	34.2	10.1	9.8	30.0
Vermont.....	874.2	439.1	220.1	16.5	7.4	121.1	30.4	14.2	8.2	21.3
Virginia.....	1,179.6	965.9	204.1	31.2	29.8	435.2	74.0	68.2	36.8	88.7
Washington.....	6,573.2	3,302.2	2,449.5	314.8	91.8	345.7	18.2	29.5	14.3	38.3
West Virginia.....	3,594.3	1,856.6	779.7	298.1	38.9	627.4	15.2	31.9	14.3	51.0
Wisconsin.....	7,296.2	3,612.8	2,216.7	525.7	114.3	591.7	43.9	82.0	19.1	49.3
Wyoming.....	663.2	354.4	193.7	37.1	12.3	89.7	9.0	6.0	(⁶)	6.7

¹ Checks issued by the Treasury Department during the given periods for Federal grants to States under the Social Security Act, not including Federal funds for vocational rehabilitation under title V, pt. 4, which are merged with other Federal funds provided for this purpose. For any given period, amounts reported in this table will differ from those reported in tables 7 and 8 showing amounts certified by the Social Security Board to the Secretary of the Treasury for payments to the States, since sums certified by the Board are attributed to the quarter for which they were provided. The Board may certify amounts to be granted for the current period of operation, for future periods, or for prior periods in which programs approved by the Board were in effect. Payments, therefore, are not necessarily made within the period for which the funds are certified.

² Includes grants certified by the Social Security Board for payment to States for employment service administration to meet the requirements of the unemployment compensation program; as of Dec. 31, 1938, such grants had been made to 49 States in which benefits were payable or were soon to become payable.

³ Administered by the U. S. Children's Bureau.

⁴ Administered by the U. S. Public Health Service.

⁵ No plan approved by the Social Security Board.

⁶ No plan approved by the Chief of the U. S. Children's Bureau.

Source: Amounts of grants computed from data furnished by the U. S. Treasury Department, Office of the Commissioner of Accounts and Deposits.

programs provided by titles I, IV, and X of the Social Security Act be 50 percent of the assistance payments made. Its recommended further, however, that in those States where the average per

capita income is less than the average per capita income of the United States, the percentage amount of the Federal grant be increased in proportion to such difference.

Table 7.—Federal grants to States for public assistance: Advances authorized and certified¹ by the Social Security Board to the Secretary of the Treasury for the first, second, and third quarters of the fiscal year 1938-39, as of Jan. 31, 1939²

[In thousands of dollars]

State	Advances authorized and certified by the Social Security Board as of Jan. 31, 1939, for direct assistance and administration of public assistance											
	Advances certified for first quarter of fiscal year 1938-39			Advances certified for second quarter of fiscal year 1938-39			Advances authorized for third quarter of fiscal year 1938-39			Advances certified for third quarter of fiscal year 1938-39		
	Old-age assistance	Aid to dependent children	Aid to the blind	Old-age assistance	Aid to dependent children	Aid to the blind	Old-age assistance	Aid to dependent children	Aid to the blind	Old-age assistance	Aid to dependent children	Aid to the blind
Total.....	\$51,060.6	\$7,432.4	\$1,229.7	\$48,831.8	\$7,274.4	\$1,252.8	\$48,966.3	\$5,943.0	\$1,176.5	\$30,639.2	\$3,728.5	\$766.6
Alabama.....	338.3	105.8	8.5	253.1	90.6	6.4	230.4	115.3	6.6	124.2	71.5	2.8
Alaska.....	45.4	(³)	(³)	32.6	(³)	(³)	37.5	(³)	(³)	20.8	(³)	(³)
Arizona.....	237.8	53.8	9.9	278.4	76.4	11.2	277.7	82.2	9.6	182.1	56.9	4.3
Arkansas.....	274.9	49.0	9.6	39.0	12.5	.2	136.5	30.4	4.1	136.5	30.4	4.1
California.....	5,384.5	396.3	270.6	5,487.6	434.7	273.6	5,714.7	422.5	288.5	3,710.1	264.7	182.0
Colorado.....	1,373.1	121.7	27.1	1,322.0	135.1	25.9	1,503.9	138.0	26.5	591.5	94.5	17.8
Connecticut.....	593.6	(³)	1.0	630.8	(³)	6.0	635.8	(³)	4.7	427.8	(³)	4.0
Delaware.....	47.2	15.5	(³)	34.2	17.3	(³)	43.5	16.5	(³)	27.8	10.8	(³)
District of Columbia.....	122.6	56.3	7.6	119.0	44.5	8.7	116.9	32.5	9.3	74.7	17.0	6.1
Florida.....	617.6	31.1	20.2	703.4	44.0	47.3	868.3	25.4	50.3	580.3	7.8	21.6
Georgia.....	454.6	110.9	20.3	524.5	128.0	21.3	345.7	86.1	19.2	170.8	43.5	11.1
Hawaii.....	37.3	42.3	0	37.4	34.4	0	34.6	23.8	0	12.3	12.3	0
Idaho.....	285.6	65.9	10.0	286.1	71.5	9.4	0	0	0	0	0	0
Illinois.....	3,568.2	(³)	(³)	3,651.1	(³)	(³)	3,669.7	(³)	(³)	2,430.0	(³)	(³)
Indiana.....	1,233.6	415.3	66.1	1,482.9	454.0	68.1	1,489.5	440.5	74.4	940.6	277.3	68.4
Iowa.....	1,526.0	(³)	39.5	1,532.4	(³)	40.4	1,606.5	(³)	43.1	1,071.0	(³)	24.9
Kansas.....	688.7	153.6	23.6	623.7	107.5	25.4	672.0	128.0	32.5	430.0	75.1	20.3
Kentucky.....	573.5	(³)	(³)	567.1	(³)	(³)	576.4	(³)	(³)	371.7	(³)	(³)
Louisiana.....	418.4	232.1	11.9	480.0	252.7	15.5	508.7	252.1	17.3	344.4	169.5	12.0
Maine.....	364.8	49.7	47.5	403.8	48.8	44.2	378.9	48.5	41.8	251.3	32.2	28.7
Maryland.....	462.7	263.6	18.3	486.6	264.1	19.1	482.9	260.9	20.7	319.8	172.6	12.1
Massachusetts.....	2,991.7	330.8	35.3	3,066.8	347.9	37.3	3,253.7	371.4	39.4	2,147.1	245.9	26.1
Michigan.....	2,007.9	277.3	17.4	2,069.1	343.3	17.5	1,905.1	444.7	18.8	1,282.4	285.5	12.6
Minnesota.....	1,963.6	169.6	19.7	2,075.6	206.9	33.2	2,109.3	197.1	28.8	1,412.1	123.3	13.6
Mississippi.....	216.1	(³)	(³)	220.1	(³)	2.5	149.3	(³)	6.2	75.5	(³)	4.1
Missouri.....	1,726.8	169.2	(³)	1,849.0	220.9	(³)	0	0	(³)	0	0	(³)
Montana.....	413.1	63.6	0	389.2	69.5	0	400.5	63.2	.9	264.3	41.1	0
Nebraska.....	642.8	117.8	14.8	669.6	127.0	18.6	739.6	147.7	21.1	403.7	100.2	14.4
Nevada.....	74.0	(³)	(³)	86.1	(³)	(³)	93.1	(³)	(³)	59.3	(³)	(³)
New Hampshire.....	139.2	12.4	7.7	141.2	13.1	9.3	138.9	13.7	9.7	89.9	9.2	6.3
New Jersey.....	725.0	355.4	20.7	741.8	339.0	21.3	842.5	334.0	20.3	554.8	214.4	13.0
New Mexico.....	73.4	36.0	4.8	63.9	32.5	3.9	22.7	11.3	1.4	22.7	11.3	1.5
New York.....	3,549.0	1,262.7	65.6	3,731.8	809.5	69.7	3,829.1	891.8	90.1	2,530.9	489.0	26.7
North Carolina.....	452.7	144.0	41.6	476.0	138.9	39.8	457.1	127.3	47.6	293.7	80.6	31.7
North Dakota.....	206.5	15.6	0	226.6	49.3	1.7	151.2	64.4	3.1	151.2	40.7	1.7
Ohio.....	4,416.2	366.3	115.8	2,719.7	368.3	117.5	4,038.9	0	0	2,672.1	0	0
Oklahoma.....	1,286.6	187.0	48.7	554.4	75.1	24.3	418.6	35.8	12.9	418.6	35.8	12.9
Oregon.....	618.7	52.4	20.2	610.4	61.6	17.1	630.7	54.0	15.2	360.6	27.1	7.9
Pennsylvania.....	3,068.8	675.0	(³)	2,577.1	758.7	(³)	0	0	(³)	0	0	(³)
Rhode Island.....	181.9	38.9	(³)	181.8	41.5	(³)	188.5	41.0	(³)	126.4	26.1	(³)
South Carolina.....	436.1	97.3	20.6	256.3	76.9	8.7	139.4	40.9	5.0	44.3	18.3	.4
South Dakota.....	528.6	(³)	3.7	545.4	(³)	7.0	525.4	(³)	7.5	357.4	(³)	5.1
Tennessee.....	564.0	201.3	32.2	475.0	210.7	34.9	448.6	190.8	38.0	294.8	123.0	25.9
Texas.....	2,412.6	(³)	(³)	2,424.4	(³)	(³)	2,470.6	(³)	(³)	1,632.7	(³)	(³)
Utah.....	535.1	87.4	9.6	400.6	75.7	7.8	401.5	82.1	7.3	249.8	52.7	4.1
Vermont.....	131.1	6.9	3.8	107.2	9.7	3.6	116.0	11.0	3.5	73.7	7.5	2.3
Virginia.....	26.2	4.2	11.0	178.0	26.9	18.8	212.6	32.3	11.9	141.7	21.5	4.4
Washington.....	1,290.1	154.1	48.6	1,151.5	190.8	43.2	882.7	190.3	43.4	882.7	123.5	27.3
West Virginia.....	409.3	137.9	50.7	395.2	157.6	19.6	382.6	155.5	18.7	235.6	96.4	11.4
Wisconsin.....	1,217.9	288.5	68.1	1,346.3	319.3	66.9	1,598.0	320.5	71.3	1,059.9	209.8	46.2
Wyoming.....	98.2	17.9	7.4	95.6	17.7	5.9	100.0	19.5	5.8	63.6	12.5	3.1

¹ Advances from Federal funds certified as of the given date by the Social Security Board for a specified quarter for direct assistance and administration of the specified types of public assistance under the Social Security Act. This table is not comparable to the tables showing the amount of obligations incurred for payments to recipients, which include payments to recipients from Federal, State, and local funds but do not include administrative expense.

² See *Social Security Bulletin*, Vol. 1, No. 12 (December 1938), p. 75, for advances certified for public assistance for the fiscal year 1937-38.

³ No plan approved by the Social Security Board for the period covered in this column.

Source: Social Security Board, Bureau of Accounts and Audits.

Table 8.—Federal grants to States for administration of unemployment compensation laws and State employment services: ¹ Advances authorized and certified ² by the Social Security Board to the Secretary of the Treasury for the first, second, and third quarters of the fiscal year 1938-39 ³

[In thousands of dollars]

State	Advances authorized and certified by the Social Security Board as of Jan. 31, 1939, for—											
	Administration of unemployment compensation and employment services				Unemployment compensation administration				Employment service administration			
	First quarter, fiscal year 1938-39	Second quarter, fiscal year 1938-39	Third quarter, fiscal year 1938-39 ⁴		First quarter, fiscal year 1938-39	Second quarter, fiscal year 1938-39	Third quarter, fiscal year 1938-39 ⁴		First quarter, fiscal year 1938-39	Second quarter, fiscal year 1938-39	Third quarter, fiscal year 1938-39 ⁴	
			Authorizations	Certifications			Authorizations	Certifications			Authorizations	Certifications
Total.....	\$14,826.7	\$15,761.3	\$13,652.1	\$6,523.9	\$9,843.4	\$10,446.4	\$9,874.9	\$4,754.5	\$4,983.3	\$5,314.9	\$3,777.2	\$1,769.4
Alabama.....	192.3	178.1	162.1	73.9	129.8	125.9	94.5	42.7	62.5	52.2	67.6	31.2
Alaska.....	8.6	11.2	9.1	2.7	6.2	7.9	7.1	2.5	2.4	3.3	2.0	2.2
Arizona.....	93.8	62.6	⁵ 60.0	⁵ 27.7	66.0	40.7	⁵ 34.8	⁵ 15.2	27.8	21.9	⁵ 25.2	⁵ 12.5
Arkansas.....	92.6	113.3	0	0	51.3	77.9	0	0	41.3	35.4	0	0
California.....	875.4	854.1	897.2	442.2	791.7	779.1	897.2	442.2	83.7	75.0	0	0
Colorado.....	44.0	140.8	123.4	60.0	29.8	84.0	78.1	37.4	14.2	56.8	45.3	22.6
Connecticut.....	425.3	304.7	⁵ 292.7	⁵ 113.7	335.9	253.5	⁵ 211.5	⁵ 75.8	89.4	51.2	⁵ 81.2	⁵ 37.9
Delaware.....	53.0	66.2	46.2	17.7	33.8	42.3	39.4	17.7	19.2	23.9	6.8	0
District of Columbia.....	105.1	116.3	⁵ 114.4	⁵ 54.5	69.4	70.9	⁵ 72.6	⁵ 33.8	35.7	45.4	⁵ 41.8	⁵ 20.7
Florida.....	60.2	172.4	172.9	81.5	60.2	93.6	102.3	46.2	78.8	70.6	70.6	35.3
Georgia.....	145.3	199.7	210.8	93.6	51.1	104.9	115.5	55.5	94.2	94.8	95.3	38.1
Hawaii.....	27.8	45.6	38.9	18.2	27.8	40.1	35.7	15.0	5.5	3.2	3.2	3.2
Idaho.....	87.4	52.6	40.4	9.5	64.0	40.8	21.9	1.2	23.4	11.8	18.5	8.3
Illinois.....	197.1	240.1	326.4	148.8	197.1	240.1	223.8	97.5	161.5	101.0	102.6	51.3
Indiana.....	534.3	365.1	465.4	195.2	372.8	264.1	325.1	134.7	101.0	140.3	140.3	61.5
Iowa.....	193.0	161.2	⁵ 137.2	⁵ 48.4	136.1	110.6	⁵ 74.7	⁵ 17.8	66.9	50.6	⁵ 62.5	⁵ 30.6
Kansas.....	97.8	155.7	117.5	44.6	54.0	104.6	104.3	44.6	43.8	51.1	13.2	0
Kentucky.....	112.2	156.5	230.5	94.7	80.1	111.2	194.7	84.7	32.1	45.3	35.6	10.0
Louisiana.....	224.3	207.5	192.8	93.9	150.3	134.0	125.4	62.5	74.0	73.5	67.4	31.4
Maine.....	140.3	110.9	⁵ 107.9	⁵ 43.8	106.9	81.0	⁵ 77.3	⁵ 31.2	33.4	29.9	⁵ 30.6	⁵ 12.6
Maryland.....	260.9	220.7	240.2	111.0	199.9	151.0	170.8	80.2	61.0	69.7	69.4	30.8
Massachusetts.....	841.1	858.2	⁵ 408.1	⁵ 408.1	641.7	664.7	⁵ 315.3	⁵ 315.3	199.4	223.5	⁵ 92.8	⁵ 92.8
Michigan.....	1,130.2	831.6	877.2	408.0	711.1	549.0	535.4	253.5	419.1	282.6	⁵ 341.8	⁵ 154.5
Minnesota.....	380.5	400.4	338.6	150.1	263.5	281.3	228.9	102.6	117.0	119.1	109.7	47.5
Mississippi.....	94.8	77.5	90.4	44.1	64.2	56.2	55.3	27.4	30.6	21.3	35.1	15.7
Missouri.....	238.9	330.7	458.5	224.6	148.1	189.3	292.8	132.2	90.8	131.4	195.7	92.4
Montana.....	29.7	26.7	29.7	12.1	29.7	26.7	29.7	12.1	28.5	45.8	37.9	12.9
Nebraska.....	66.2	91.3	103.1	42.3	37.7	45.5	65.2	29.4	13.1	20.4	15.7	5.8
Nevada.....	33.7	48.0	47.0	21.4	20.6	27.6	31.3	15.6	28.3	26.8	⁵ 25.2	⁵ 11.8
New Hampshire.....	100.0	88.9	⁵ 80.7	⁵ 37.5	71.7	62.1	⁵ 55.5	⁵ 25.7	28.3	26.8	⁵ 25.2	⁵ 11.8
New Jersey.....	394.5	717.2	654.3	277.6	225.5	475.8	493.2	232.1	169.0	241.4	161.1	45.5
New Mexico.....	45.8	58.6	48.8	18.1	34.0	32.7	27.8	12.0	21.8	25.9	21.0	6.1
New York.....	2,552.7	2,563.7	2,434.8	1,187.2	1,439.9	1,418.7	1,401.4	681.4	1,112.8	1,145.0	1,033.4	475.8
North Carolina.....	399.4	293.3	55.0	55.0	250.5	220.3	55.0	55.0	58.9	73.0	0	0
North Dakota.....	36.2	48.5	39.8	12.8	19.2	23.1	18.3	5.3	17.0	25.4	21.5	7.5
Ohio.....	239.1	744.2	719.9	321.5	239.1	553.8	719.9	321.5	190.4	90.6	39.1	0
Oklahoma.....	146.8	225.9	125.7	39.3	67.3	136.3	86.6	39.3	79.5	90.6	39.1	0
Oregon.....	186.9	176.8	166.4	72.5	137.3	145.1	121.2	64.0	49.6	31.7	45.2	18.5
Pennsylvania.....	1,859.7	1,939.9	910.6	455.3	992.9	1,142.8	910.6	455.3	866.8	797.1	0	0
Rhode Island.....	190.6	188.6	166.9	80.3	167.1	155.6	148.8	72.0	23.5	33.0	18.1	8.3
South Carolina.....	142.7	105.6	112.4	46.3	106.8	73.6	78.9	34.3	35.9	32.0	33.5	12.0
South Dakota.....	21.2	42.0	39.5	17.3	21.2	26.1	24.9	10.0	15.9	14.6	14.6	7.3
Tennessee.....	236.1	229.6	213.2	101.3	141.2	131.3	121.0	56.0	94.9	98.3	92.2	45.3
Texas.....	428.9	517.6	⁵ 395.7	⁵ 261.9	229.0	254.7	⁵ 263.7	⁵ 129.9	199.9	262.9	⁵ 132.0	⁵ 132.0
Utah.....	84.9	75.8	⁵ 58.8	⁵ 19.8	63.1	53.5	⁵ 40.0	⁵ 12.5	21.8	22.3	⁵ 18.8	⁵ 7.3
Vermont.....	60.2	44.6	⁵ 45.4	⁵ 18.2	31.7	29.1	⁵ 30.1	⁵ 11.0	17.5	15.5	⁵ 15.3	⁵ 7.2
Virginia.....	222.7	212.4	⁵ 204.1	⁵ 89.6	169.5	146.6	⁵ 145.7	⁵ 64.3	53.2	65.8	⁵ 58.4	⁵ 25.3
Washington.....	117.5	228.1	226.8	97.9	52.3	116.7	160.2	75.2	65.2	111.4	66.6	22.7
West Virginia.....	318.9	308.5	⁵ 254.9	⁵ 106.8	236.3	235.5	⁵ 191.7	⁵ 80.2	82.6	73.0	⁵ 63.2	⁵ 26.6
Wisconsin.....	302.6	289.1	288.5	133.6	186.1	187.9	188.3	87.5	116.5	101.2	⁵ 100.2	⁵ 46.1
Wyoming.....	34.5	41.7	41.3	16.8	20.9	26.6	31.5	13.5	13.6	15.1	9.8	3.3

¹ Advances certified by the Social Security Board for State employment service administration to meet the requirements of the unemployment compensation program; this table does not include Federal grants by the U. S. Employment Service under the Wagner-Peyser Act or State or local appropriations to the employment service.

² Advances are certified by the Social Security Board to the Secretary of the Treasury for a specified quarter of operation which is not necessarily the period in which the certification is made. All grants for the first and second quarters of the fiscal year 1938-39 have been certified; for the most part only partial payments have been certified for the third and fourth quarters; further certifications will be made as funds become available.

³ See Social Security Bulletin, Vol. 2 No. 1 (January 1939), p. 71, for advances certified for administration of unemployment compensation and employment services for the fiscal year 1937-38.

⁴ Certain of the grants in these columns cover both the third and fourth quarters of 1938-39.

⁵ Grant covers both the third and fourth quarters of the fiscal year 1938-39.

⁶ Grant covers the period Jan. 1-Feb. 15, 1939.

Source: Social Security Board, Bureau of Accounts and Audits.

General Economic Conditions

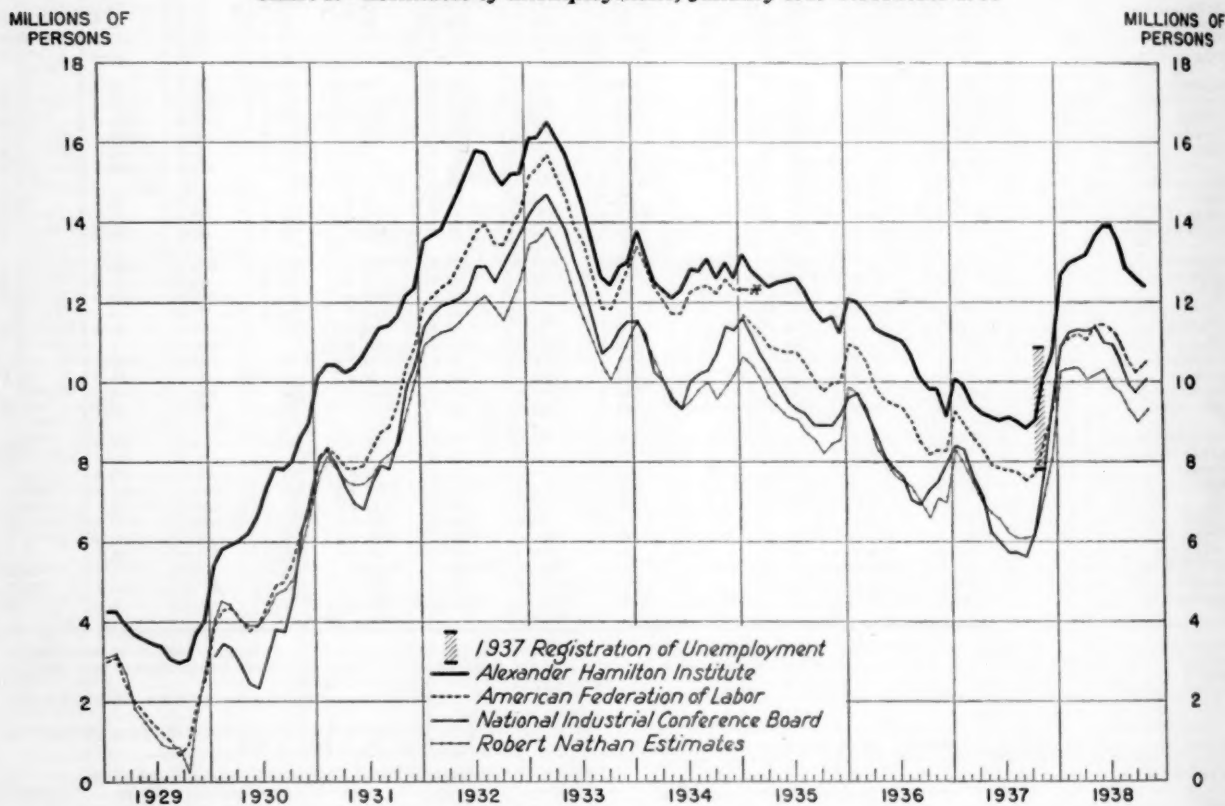
The developments in business activity during the past year have been closely allied to social security financial operations. The recession which commenced so precipitously in September 1937 reached its depth in June 1938, and since that time business has recovered about two-thirds of the decline. The important feature of this recovery is that the production of both durable and nondurable goods has risen substantially since last summer. The Federal Reserve Board combined index of industrial production, adjusted for seasonal variation, reached 104 in December.

During the month of November, the number of unemployed, as indicated by three of the four estimates presented in chart I, showed definite increases. This may be attributed wholly to agricultural unemployment. The Federal Reserve Board index of factory employment, adjusted for seasonal variation, rose from 90.0 in November to 91.4 in December. This index is 3.9 percent below

the figure of the corresponding month last year. The Bureau of Labor Statistics index of factory pay rolls, unadjusted for seasonal variation, rose 2.5 points from 84.1 in November to 86.6 in December. In December 1937 the same index stood at 84.2. Employment and pay-roll increases from November to December were indicated in both the durable-goods and nondurable-goods industries. These increases may be attributed largely to the automobile, textile, and rubber-products industries. The Department of Commerce adjusted index of national income paid out and of compensation of employees showed slight increases.

The Bureau of Labor Statistics index of wholesale prices again declined fractionally and reached its lowest point since 1934. However, the prices of products other than foods and farm products were comparatively high. Retail prices, as indicated by the Bureau of Labor Statistics index, rose to 78.6 in December, as compared with 77.8 in November.

Chart I.—Estimates of unemployment, January 1929–November 1938



*REVISED JANUARY 1935 TO DATE

RECENT PUBLICATIONS IN THE FIELD OF SOCIAL SECURITY

GENERAL

ALTMAYER, ARTHUR J. "Three Years of the Social Security Act." *Labor Information Bulletin*, Washington, Vol. 5, No. 12 (December 1938), pp. 5-8.

The Chairman of the Social Security Board outlines past progress and future developments under the five programs administered by the Board.

"Australian National Health and Pensions Insurance Act, 1938." *Monthly Labor Review*, Washington, Vol. 47, No. 5 (November 1938), pp. 1012-1014.

A brief article describing the new Australian social insurance law. Since publication of the item, operation of the scheme has been postponed to September 1939.

COLCORD, JOANNA C. *Your Community; Its Provision for Health, Education, Safety, and Welfare*. New York: Russell Sage Foundation, 1939. 249 pp.

An amplification of a pamphlet by Margaret F. Byington entitled *What Social Workers Should Know About Their Own Communities*, first published in 1911 and revised to 1929. The present volume "contains suggestions for groups of persons desirous of securing a rounded picture of their own community, especially as to the provision which that community makes to conserve the health and safety and to promote the education and general welfare of its inhabitants." Questions designed to bring out community resources and references to sources of information are given. Practically all aspects of the social security program are noted.

CORSON, JOHN J. "Old-Age Insurance and the South." *Southern Economic Journal*, Chapel Hill, N. C., Vol. 5, No. 3 (January 1939), pp. 319-335.

Special features of the southern economy are related by Mr. Corson to the probable effects of the old-age insurance program upon the South. Discussion deals with wages, age distribution, coverage, the degree of security provided, and relationships between old-age insurance and old-age assistance. Original tabulations from the Bureau of Old-Age Insurance of the Social Security Board illustrate the text.

DOUGLAS, PAUL H. *Social Security in the United States: An Analysis and Appraisal of the Federal Social Security Act*. 2d ed. New York, London: McGraw-Hill, 1939. 493 pp.

More than 100 pages of new matter dealing with developments from 1936 to early 1938 are included in the second edition of Professor Douglas' work. The chapters in the first edition have been somewhat rearranged but are otherwise unchanged. New material includes a discussion of the Supreme Court decisions and statistical information as of early 1938. The bibliography has been revised to include recent publications.

An Economic Program for American Democracy. By Seven Harvard and Tufts Economists: Richard V. Gilbert, George H. Hildebrand, Jr., Arthur W. Stuart, Maxine Yapple Sweezy, Paul M. Sweezy, Lorie Tarshis, and John D. Wilson. New York: Vanguard, 1938. 91 pp.

"One of the lessons of the past five years," say the authors, "has been the striking demonstration of the efficacy of public spending in promoting national well-being." The direct gains to the unemployed and others are said to have been "less significant than the second effects of deficit spending in producing a marked expansion of general industrial activity and private employment." This theory is expanded, and recommendations for the future are made, including suggestions in the fields of social insurance, public assistance, public health, work relief, and workmen's compensation.

FRANKLIN, ZILPHA C. "Extension of Old-Age Insurance." *National Municipal Review*, New York, Vol. 28, No. 1 (January 1939), pp. 44-49.

A summary of the report of the Advisory Council on Social Security.

HAZLITT, HENRY. "Relief from Relief: Proposed Reform of the Chaotic Home-Relief—WPA System." *Analyst*, New York, Vol. 53, No. 1355 (Jan. 4, 1939), pp. 3-4.

Mr. Hazlitt declares that "no ideal solution of the problem of relief is possible." He discusses a proposal for payment of a supplemental wage to persons incapable of earning an adequate wage in private industry. It is apparently assumed that most persons would find some employment, and the author states that his system would be less expensive than present methods. In the interests of a unified scheme, he advocates changes in present programs for unemployment compensation, old-age insurance, and old-age assistance.

KULP, C. A. *Social Insurance Coordination: An Analysis of German and British Organization*. A Report Prepared for the Committee on Social Security. Washington: Committee on Social Security, Social Science Research Council, 1938. 333 pp.

A compactly organized work interpreting the administrative organizations and backgrounds of all the German and British social insurances. According to the foreword by Paul Webbink, the book "attempts a picture of the interrelations of the social insurances in their actual operation . . . It is focused, first, upon general social insurance organizational trends, and secondly upon fundamental relationships, forms and problems . . . Two major organizational trends—toward centralization and toward coordination—provide the main themes."

LEAGUE OF NATIONS. CHILD WELFARE INFORMATION CENTER. *Summary of Annual Reports Received From Governments . . . (May 1st, 1937-May 5th, 1938)*. Geneva: 1938. 160 pp. (Series of League of Nations Publications, IV, Social, 1938, IV, 5.)

Summary of information received from 37 countries in Government reports on legislative and administrative measures relating to child welfare.

PACE, THOMAS A. "Chilean Social Laws." Chapters IV and V. *American Federationist*, Washington, Vol. 41, No. 1 (January 1939), pp. 62-68.

Evaluations of Chilean social legislation and social services by Chileans and by the author, with a description of the enforcement of the social insurance program through public accountants. (Earlier installments have been noted in previous issues of the Bulletin.)

ROBINSON, GEORGE BUCHAN. "Proposed Amendments Prove Debatable Nature of Whole Social Security Principle." *Annalist*, New York, Vol. 52, No. 1354 (Dec. 28, 1938), pp. 854-855.

This article deals entirely with the financing of old-age insurance, with special emphasis on allocating the tax burden for the "excess costs of the early benefits." The author finds that proposals for amendment of the Social Security Act, particularly the recommendations of the Advisory Council, show that the issue between "self-support" and "subsidy" remains unsettled. He discusses this issue with respect to coverage, incidence of the tax, and other points.

U. S. SENATE. SPECIAL COMMITTEE TO INVESTIGATE UNEMPLOYMENT AND RELIEF. *Report*. January 14, 1939. 15 pp. (76th Cong., 1st sess. S. Rept. 2, pts. 1, 2, and 3.)

The final report of the Byrnes Committee recommends changes in the social security, relief, and public-work programs. For a brief summary of the report see the Social Security Bulletin, January 1939, p. 3.

WATKINS, GORDON S., and DODD, PAUL A. *The Management of Labor Relations*. New York, London: McGraw-Hill, 1938. 780 pp.

A college text on personnel management, the successor to an earlier work on the subject by Professor Watkins, with chapters on employment stabilization and the aged worker. The provisions of the Social Security Act, including the maintenance of wage records, are discussed. Part V, Civil Service Personnel, is a treatment of recent employment trends and standards in Federal, State, and local governments.

HEALTH AND MEDICAL CARE

ABELL, IRVIN. "Attitude of the American Medical Association Toward the National Health Program." *American Journal of Public Health*, Albany, N. Y., Vol. 29, No. 1 (January 1939), pp. 11-15.

A paper presented by the president of the American Medical Association at the 1938 meeting of the American Public Health Association, including the verbatim report of the house of delegates of the American Medical Association on the recommendations made to the National Health Conference.

ALTMAYER, ARTHUR J. "The National Health Conference and the Future of Public Health." *American Journal of Public Health*, Albany, N. Y., Vol. 29, No. 1 (January 1939), pp. 1-10.

This paper, also presented at the annual meeting of the American Public Health Association, describes the work of the Interdepartmental Committee to Coordinate Health and Welfare Activities.

"American Medical Association Study of Medical Care: Jefferson County, Alabama." *Journal of the American Medical Association*, Chicago. Vol. 111, No. 24 (Dec. 10, 1938), pp. 2213-2217.

Jefferson County includes Birmingham and has a total population of nearly half a million. Its medical facilities are here summarized from an extensive report which was made by the county medical society. Medical-care needs are noted, and recommendations are included.

BLOOMFIELD, J. J. "Development of Industrial Hygiene in the United States." *American Journal of Public Health*, Albany, N. Y., Vol. 28, No. 12 (December 1938), pp. 1388-1397.

The author notes industrial-hygiene problems and developments and suggests a program. He finds that "the greatest opportunity today for a substantial saving of life appears to be in the field of chronic diseases and the class offering this opportunity is the industrial population." The role of the Social Security Act in furthering the development of industrial hygiene is illustrated by the fact that in less than 3 years funds expended in this work have increased from \$100,000 to nearly \$750,000, while the number of workers served has grown from 12 to 40 million.

CROWNHART, J. G. *Sickness Insurance in Europe*. Madison, Wis.: J. G. Crownhart, 1938. 143 pp.

An account of the workings of health insurance in a number of European countries visited in the course of an investigation made for the Wisconsin State Medical Society. The English scheme is discussed in detail, with briefer notes on Norway, Sweden, Denmark, Germany (including Austria), Czechoslovakia, Hungary, Switzerland, France, and Scotland. The work emphasizes the factors in health insurance which tend to modify its basic idealism. According to the author, these forces are common to all schemes. The generally high level of medical care in the United States is contrasted with many foreign insurance practices. In recognizing and detailing the complexities of health insurance, the author holds that careful study of American conditions and foreign systems should precede any action in this country. A partial list of more than 90 officials interviewed is included, and there is an account of the general method of conducting the inquiry.

KLEINSCHMIDT, H. E. "Is There a Place for the Voluntary Health Agency in View of the New Public Health Activities of the Federal Government?" *American Journal of Public Health*, Albany, N. Y., Vol. 29, No. 1 (January 1939), pp. 49-54.

The author discusses the new concept of government as the "service arm" of the people and finds that this notion

has been greatly furthered by the Social Security Act. He holds that the voluntary health agency is an instrument of democracy and education and retains a definite function in an expanding governmental program.

"Medical and Health Aspects of Social Security in Latin America." *Bulletin of the Pan American Union*, Washington, Vol. 73, No. 1 (January 1939), pp. 3-13.

A memorandum prepared by the Pan American Sanitary Bureau for presentation to the Tenth Pan American Sanitary Conference, held in Bogotá, Colombia, September 4-18, 1938. Health-insurance and medical-care programs in Argentina, Brazil, Cuba, Chile, Ecuador, Peru, and Uruguay are outlined.

PARRAN, THOMAS. "The Health of the Nation." *American Journal of Public Health*, Albany, N. Y., Vol. 28, No. 12 (December 1938), pp. 1376-1380.

Surgeon General Parran describes improvements in public-health progress due to the Social Security Act. A 96-percent increase in the number of counties under the direction of whole-time health officers, greater State as well as Federal appropriations, and the training of more than 3,000 persons have been achieved under the act. The recommendations of the National Health Conference are noted, and the means of effecting this program are discussed.

"Right of Corporation to Practice Medicine." *Yale Law Journal*, New Haven, Conn., Vol. 48, No. 2 (December 1938), pp. 346-351.

Special reference is made in this note to court decisions on the Pacific Health Corporation of California and the Group Health Association of the District of Columbia. Related cases and legal principles are cited.

ROOSEVELT, FRANKLIN D. *Message from the President of the United States Transmitting the Annual Message on Health Security*. Washington, January 23, 1939. 74 pp. (76th Cong., 1st sess. H. Doc. 120.)

With this message the President transmitted to the Congress the report and recommendations of the Interdepartmental Committee to Coordinate Health and Welfare Activities and the report on a national health program by the Technical Committee on Medical Care. The President's message reviews some of the official measures taken to meet the problem of health security, including the Social Security Act, the formation of the Interdepartmental Committee, and the calling of the National Health Conference.

Row, D. H., and CHADWICK, C. D. "Causes of Blindness in Indiana." *American Journal of Ophthalmology*, Menasha, Wis., Series 3, Vol. 22, No. 1 (January 1939), pp. 57-64.

A report based on the physical-ocular examinations of 2,547 applicants for aid to the blind in Indiana. The authors note that the data afford a "fair insight into the common causes of blindness in the midwestern part of the United States."

SHORE, ERNEST L. "A Doctor Looks at Socialized Medicine." *Nation's Business*, Washington, Vol. 27, No. 1 (January 1939), pp. 27-28, 66-67.

Among the author's objections to cooperative or social medicine are allegedly high administrative costs, lack of individual attention to the patient, and a tendency to "create its own illnesses."

"The Story of the Indictment; Chronologic Record of Events Leading to the Indictment of the American Medical Association Because of the Difficulties of the G. H. A., Inc." *Journal of the American Medical Association*, Chicago, Vol. 112, No. 1 (Jan. 7, 1939), pp. 59-64.

Describes steps in the formation and development of the Group Health Association of Washington, D. C., with special reference to activities of the Department of Justice.

"Voluntary Sickness-Insurance System in Sweden." *Monthly Labor Review*, Washington, Vol. 47, No. 6 (December 1938), pp. 1261-1268.

Based chiefly upon a report by Hallett Johnson, American consul general in Stockholm, this article presents information on contributions, benefits, penalties, and administration of the Swedish system of sickness insurance. Statistics for 1935 and 1936 and some data for August 1938 are given.

Who Can Afford Health? New York: Public Affairs Committee, 1939. 31 pp. (Public Affairs Pamphlets No. 27.)

A popular pamphlet, prepared by Beulah Amidon, "on the basis of the National Health Survey, made by the United States Public Health Service in 1935-36, together with other research studies compiled by the United States Government Interdepartmental Committee to Coordinate Health and Welfare Activities." Special emphasis is laid on the relation between health and economic status.

WINSLOW, C.-E. A. "The Public Health Aspects of Medical Care From the Standpoint of Public Health." *American Journal of Public Health*, Albany, N. Y., Vol. 29, No. 1 (January 1939), pp. 16-22.

Dealing with the medical-care problem from the consumer's standpoint, Dr. Winslow emphasizes the demonstration by the National Health Conference of "urgent and critical need for prompt and effective action," and the "extraordinary skill" manifested in the program submitted by the Technical Committee on Medical Care. This program is described as sound, balanced, and a "complete, coordinated, interlocking, dovetailing health program for the nation."

WOLMAN, ABEL. "A Century in Arrears." *American Journal of Public Health*, Albany, N. Y., Vol. 28, No. 12 (December 1938), pp. 1369-1375.

In this presidential address before the American Public Health Association, Dr. Wolman reviews national health progress and needs. He advocates for the Public Health Association a plan of cooperation with other agencies in order to put into effect the recommendations of the National Health Conference. The proposed program would also involve study of public-health services, grants-in-aid, health insurance, and similar topics.

PUBLIC WELFARE AND RELIEF

AUSTIN, NANCY L. "Old Folks Without Homes." *Survey Midmonthly*, New York, Vol. 75, No. 1 (January 1939), pp. 9-11.

The author notes the public-assistance problem created when money payments for old persons need supplementing by special care. Unsupervised boarding homes are said to be "springing up like mushrooms all over the country." Desirable standards for such homes are outlined, and it is recommended that legal supervision be established by State legislation.

"Court Decisions Plague Old-Age Pensions." *Social Security*, New York, Vol. 13, No. 1 (January 1939), pp. 1, 8-9.

A review of recent court decisions in the field of old-age assistance, with notation of their implications and possible financial consequences. Developments in Missouri, Washington, Colorado, and North Dakota are considered.

HOOD, ROBERT C. "Development of State Services for Crippled Children Under the Social Security Act, Fiscal Year 1938." *The Child*, Washington, Vol. 3, No. 5 (November 1938), pp. 99-102.

The Director of the Crippled Children's Division, United States Children's Bureau, discusses personnel, locating crippled children, eligibility, diagnostic clinics, and types of hospital and other care.

HOUWINK, EDA. "Case Work in Public Relief." *Survey Midmonthly*, New York, Vol. 75, No. 1 (January 1939), pp. 5-6.

Practical precepts for the guidance of social case workers in public agencies. A distinction is drawn between case work in theory and in practice, and some of the adjustments which case workers have to make are described.

MAY, GEOFFREY. "Local Responsibility for Public Assistance." *National Municipal Review*, New York, Vol. 28, No. 1 (January 1939), pp. 16-22, 72.

In his address to the annual National Conference on Government of the National Municipal League, Mr. May stresses the significance of the local community as "the place where every public welfare program, whether based on Federal and State cooperation or not, must get down to brass tacks and do its work."

NEBRASKA. LEGISLATIVE COUNCIL. *Public Assistance in Nebraska*. By Roger V. Shumate. Lincoln, 1938. 58 pp. Processed. (Report No. 3.)

A study of the "development, administration, and costs of the relief program in Nebraska." The appendixes include recommendations made by the Social Security Board respecting the State program.

NICKEL, GEORGE D. "A Matter of Communication." *Survey Midmonthly*, New York, Vol. 75, No. 1 (January 1939), pp. 11-12.

Describes methods recently adopted by the California State Relief Administration to improve the State-county relationship and to obtain greater uniformity in operation and better mutual understanding.

PIHLBLAD, C. T., and others. *The Rural Almshouse Population in Missouri*. By C. T. Pihlblad, Arthur W. Nebel, and Joseph H. Stokes, in collaboration with Melvin W. Sneed and Cecil L. Gregory. Place not given. Cooperative Rural Research, 1938. 40 pp. Processed. (Research Bulletin No. 3.)

"The various types of almshouse administration and methods of inmate care are defined and described, together with the social characteristics of the inmate population . . . An analysis was made of the eligibility of inmates in order to determine the extent to which counties might be relieved of their inmate population through . . . public assistance." The data included are from surveys made in 1933 and 1935 by the Agricultural Experiment Station, University of Missouri; the Rural Section, Division of Social Research, Works Progress Administration; and the State Social Security Commission of Missouri.

SOWERS, DON C. *Old Age Pensions in Colorado*. Boulder: University of Colorado, 1938. 25 pp. (University of Colorado Bulletin, Vol. 38, No. 18, General Series No. 422.)

In the introduction President George Norlin of the University of Colorado declares: "The study shows how the law as it now stands in the Constitution, even though only partially carried out, has crippled the State in its general activities and particularly in the help it should be giving to the helpless and unfortunate of its population who are not of the old-age group." The "greatest security" of Colorado's needy aged is said to lie "in the National Security Act, under which the Federal Government will cooperate with the several states in paying a pension of thirty dollars a month to those who have need of such benefit at the age of sixty-five." The pamphlet traces the development of old-age pensions in Colorado, notes some effects of the present law, and discusses the economic basis for a minimum pension of \$45 per month. Recommendations for modification of the law are given, including the text of a proposed amendment defeated in the November election.

SPRINGER, GERTRUDE. "Public Welfare Life Is Real and Earnest." *Survey Midmonthly*, New York, Vol. 75, No. 1 (January 1939), pp. 7-9.

A summary of topics discussed at the annual Round Table Conference of the American Public Welfare Association held in Washington last December.

TURNER, HARRIS. "Pensions for the Blind in Canada—1938." *Outlook for the Blind*, Richmond, Va., Vol. 32, No. 5 (December 1938), pp. 165-168.

Sketches briefly the political and social background of Canada's recently established system of pensions for the blind, which is now paying about \$10 monthly to 4,000 blind persons, and discusses the effect of the pensions on the recipients and on agencies for aiding the blind.

WISCONSIN. STATE PENSION DEPARTMENT. *Statistical Summary of the Development of the Social Security Aids in Wisconsin to June 30, 1938*. Prepared by the Division of Research and Statistics. Place not given. 1938. 50 pp. Processed.

"The primary purpose of this bulletin is to furnish detailed information to local officials interested in the county administration of the Social Security Aids, Old-Age Assistance, Aid to Dependent Children and Blind Pensions, in Wisconsin. It is designed, therefore, to give maximum information about the development during the past two years of each of the three programs in each county of the state, and is directed to persons familiar with the administration of these aids. Incidentally, it contains information of value to the general public."

UNEMPLOYMENT AND UNEMPLOYMENT COMPENSATION

ATKINSON, RAYMOND C.; ODENCRANTZ, LOUISE C.; and DEMING, BEN. *Public Employment Service in the United States*. Chicago: Public Administration Service, 1938. 482 pp. (Committee on Public Administration, Social Science Research Council, Studies in Administration, Vol. V.)

A review of the United States Employment Service designed "to provide a comprehensive, independent analysis of the problems and methods of conducting such a service." In the foreword Joseph P. Harris declares: "The present volume deals in part with the technical aspects of employment office operation, for the larger administrative problems cannot be studied in a vacuum. This report, however, is not intended to serve as a manual of procedure, or to furnish the answer to the many baffling questions constantly arising in an emerging new activity of this kind. Its purpose is rather to consider what are the fundamentals of sound organization and administration, what is necessary to develop a strong and stable employment office system." The work is based upon a field survey made in 1936 of some 25 States and upon "further observation of developments during the first half of 1938 after the beginning of unemployment compensation activity . . ."

CARPENTER, ORVILLE S. "The Noncovered Worker." *Employment Service News*, Washington, Vol. 6, No. 1 (January 1939), pp. 5-8.

The importance of placement work in the noncovered industries, particularly agriculture, is emphasized by Mr. Carpenter, who is chairman and executive director of the Texas Unemployment Compensation Commission.

McDERMOTT, WILLIAM F. "Profit Sharing: The Joslyn Formula." *Survey Graphic*, New York, Vol. 27, No. 1 (January 1939), pp. 9-12.

The profit-sharing plan of the Joslyn Manufacturing and Supply Company of Chicago has been classified, says the author, "as among the very best of 165 profit sharing and pension systems minutely studied—the 165 being chosen out of 4,000 now operated." It provides for employee and company contributions, with retirement at age 60 or upon disablement. The sums to the credit of the workers may serve the same purpose as unemployment compensation or health insurance. This illustrated article details the provisions and practical effects of the plan.

"Merit Rating Will Bankrupt Funds and Menace Benefits." *American Federationist*, Washington, Vol. 41, No. 1 (January 1939), pp. 46-57.

A brief summary of arguments against merit rating in unemployment compensation. It sets forth principles of insurance, of compensation, and of stable employment, and maintains that merit rating is in conflict with each, noting also administrative difficulties, the requirements of stable financing, and other points. Repeal of all merit-rating plans is advocated.

RAUSHENBUSH, PAUL A. "Unemployment Compensation Experience in Wisconsin." *American Labor Legislation Review*, New York, Vol. 28, No. 4 (December 1938), pp. 154-160.

"This article will touch upon Wisconsin's (1) practice of consulting with employer and labor representatives, (2) basic method of determining weekly benefit rates, (3) payment of partial on-the-job benefits, (4) minimum reporting by employers, (5) simple and practical 'merit rating' system, under which each employer's contribution rate will depend on his actual benefit experience, and (6) relatively low administrative expense."

WAGENET, R. GORDON. "Current Proposals for Amendment of Unemployment Compensation Laws." *American Labor Legislation Review*, New York, Vol. 28, No. 4 (December 1938), pp. 149-152.

The objectives of proposed amendments to unemployment compensation laws are said to be: "To make the laws understandable, particularly to workers; to maintain the relation of benefit rights to previous earnings, but with less effort for precise and individual adjustment than the present laws attempt; to assure the social adequacy of the benefit structure, with no reduction of the present level of benefits and with liberalization where possible; to develop a system that can operate promptly and economically." Proposals for determining benefits, establishing eligibility, simplifying the waiting period, and providing adequate duration of benefits are discussed.

WAGENET, R. GORDON. "Job Insurance Looks Toward a New Year." *State Government*, Chicago, Vol. 12, No. 1 (January 1939), pp. 5-7.

A general review of progress achieved during the past year in unemployment compensation. The author notes that "the day-to-day job of placement work and benefit paying has sharpened our administrative techniques and pointed the way to needed improvements in the basic framework of job insurance."

WOLMAN, LEO. "Labor Policies and the Volume of Employment." *Proceedings of the Academy of Political Science*, Columbia University, New York, Vol. 18, No. 2 (January 1939), pp. 189-195.

Professor Wolman notes economic policies as especially characteristic of recent years: higher wages and shorter hours; tendency of public and quasi-public agencies to fix the terms of the labor contract; large public expenditures to relieve the unemployed and provide a stimulus to business. He declares that these policies have failed to reduce the large volume of unemployment, and that, therefore, a "quick and thoroughgoing relaxation" of these standards is in order.

STATE PERIODICALS IN THE FIELD OF UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE

CALIFORNIA. UNEMPLOYMENT RESERVES COMMISSION. STATE DEPARTMENT OF EMPLOYMENT. *Report to Governor.* Place not given. Monthly. Processed.

Chiefly a review, with text and tables, of the activities of the Department, reporting benefit and claims statistics, financial data, registrations, and administrative functions, with a section on rules and regulations and tables and notes on activities by offices. Includes employment service.

COLORADO. STATE EMPLOYMENT SERVICE. *Colorado Employment Service News.* Denver. Monthly.

Information suitable for press use, including a section on unemployment compensation and a statistical summary of employment service activities by districts.

CONNECTICUT. DEPARTMENT OF LABOR AND FACTORY INSPECTION. *Monthly Bulletin of Placement and Unemployment Compensation Division.* Hartford. Monthly. Published by the Research Division of the Department of Labor.

Includes summary statistics on unemployment compensation funds and claims and benefits, and employment service data by districts; also articles, brief notices, and excerpts from district-office letters.

INDIANA. STATE EMPLOYMENT SERVICE. *Report for the Month . . . Submitted to the Indiana Unemployment Compensation Board.* Place not given. Monthly. Processed.

Contains a statistical report of employment service activities by district and by office and reports on clearance activities; placement work with veterans, juniors, and the physically handicapped; licensing of fee-charging agencies; public relations and training, and financial activities. Charts show registrations, placements, and average hours and earnings.

INDIANA. STATE EMPLOYMENT SERVICE AND UNEMPLOYMENT COMPENSATION DIVISION. *Indiana Employment Review.* Indianapolis. Monthly.

Statistics of employment, pay rolls, and placement activities. Articles, principally of employer interest, also are included.

INDIANA. UNEMPLOYMENT COMPENSATION DIVISION. *Indiana Unemployment Compensation Advisor.* Indianapolis. Monthly. Processed.

Articles, news notes, and information on appeal-tribunal decisions, including employment service material.

IOWA. BUREAU OF LABOR. *Iowa Employment Survey.* Des Moines. Monthly.

Statistics of employment (including a 5-year comparative table), accidents, and pay rolls; also a general summary of business conditions and comment from various firms.

KANSAS. COMMISSION OF LABOR AND INDUSTRY. *Kansas Labor and Industrial Bulletin.* Topeka. Monthly.

Tables and charts on employment and pay rolls, bank debits, building permits, retail food prices, and industrial accidents; also a series of explanatory articles on the State unemployment compensation law.

KENTUCKY. STATE EMPLOYMENT SERVICE. *Employment Service Envoy.* Frankfort. Monthly. Processed.

Issued primarily for staff members; includes statistics of placement, articles, and notes.

MASSACHUSETTS. DEPARTMENT OF LABOR AND INDUSTRIES. *Employment and Earnings of Wage-Earners in the Principal Fields of Employment in Massachusetts.* Boston. Monthly. Processed. Prepared by the Division of Statistics.

Text and tables, with index numbers, on employment and wages.

MICHIGAN. DEPARTMENT OF LABOR AND INDUSTRY. (Labor Statistics.) Place not given. Monthly. Processed.

Tables on employment and pay rolls, cost of living, and industrial accidents.

MINNESOTA. STATE EMPLOYMENT SERVICE. *Minnesota Employment Review.* St. Paul. Monthly. (Formerly *Monthly Employment Bulletin.*)

Cumulative tables and comment on wages and contributions by counties or areas, and cumulative data by districts on claims for unemployment compensation benefits. Also monthly tables and text on employment and pay rolls for the State, by industry, and a monthly statistical summary of employment service activities.

MISSISSIPPI. UNEMPLOYMENT COMPENSATION COMMISSION. *Jobs.* Place not given. Monthly. Prepared by the Division of Research and Information.

Articles and a table of employment and pay rolls in certain establishments covered by the Mississippi Unemployment Compensation Law; also reports from office managers in each locality and a chart, with text, on placement activity.

MISSOURI. STATE EMPLOYMENT SERVICE. *Statistical Report of the Missouri State Employment Service.* Place not given. Monthly. Processed.

Tables on private placements and activities other than placements, by offices, with comparisons for earlier periods.

NEW HAMPSHIRE. STATE EMPLOYMENT SERVICE. *Employment Service Digest.* Concord. Monthly. Processed.

Articles, exchanges, and notes on employment service and unemployment compensation, including information from district managers. Also a tabular summary, by districts, of placement activities, and data on benefit payments and receipts of the unemployment fund.

NEW YORK. DEPARTMENT OF LABOR. *Industrial Bulletin*. Albany. Monthly.

Comprehensive data on employment, pay rolls, and labor law, including appeals decisions on unemployment insurance. Reports on inspection activities of the Labor Department, special studies, and a monthly summary of placement activities are included.

NEW YORK. DEPARTMENT OF LABOR. DIVISION OF PLACEMENT AND UNEMPLOYMENT INSURANCE. *Activities of New York State Division of Placement and Unemployment Insurance*. Albany and New York. Bimonthly. Processed. Prepared by the Bureau of Research and Statistics.

General summaries, with tables, of unemployment insurance operations and activities of the employment service, with data on industrial and occupational distribution of placements and on activities of nonprofitmaking employment offices in New York City. Charts show selected benefit and placement information.

NEW YORK. DEPARTMENT OF LABOR. DIVISION OF PLACEMENT AND UNEMPLOYMENT INSURANCE. *Selected Insurance Activities by Region and District*. Place not given. Weekly. Processed. Prepared by the Bureau of Research and Statistics.

Tables present weekly data on unemployment notices, certification cards, claim adjustments, certifications, and other activities.

NORTH CAROLINA. DEPARTMENT OF LABOR. *North Carolina Labor and Industry*. Raleigh. Monthly.

Contains Department of Labor information, a non-statistical section on unemployment compensation, statistics of employment and pay rolls, and statistics of construction.

NORTH CAROLINA. STATE EMPLOYMENT SERVICE. *NCSSES News*. Raleigh. Weekly. Processed.

Concise weekly statistics and comment on employment service activities, including "Local Office Comments" and news items.

OHIO. UNEMPLOYMENT COMPENSATION COMMISSION. STATE EMPLOYMENT SERVICE. *Broadcast*. Columbus. Monthly. Processed.

Articles, notes, and news of interest primarily to staff members; also a table on applications and placements, by offices.

OHIO. UNEMPLOYMENT COMPENSATION COMMISSION. STATE EMPLOYMENT SERVICE. *Report of Activities*. Columbus. Monthly. Processed.

Tables and text on operation, by offices, including placements, new applications, active file, and related points.

PENNSYLVANIA. DEPARTMENT OF LABOR AND INDUSTRY. DIVISION OF UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE. *Monthly Report of Activities of the Pennsylvania State Employment Service*. Harrisburg. Monthly. Processed.

Textual summary and tables reporting employment service activities, including sectional changes, junior employment service, and veterans' activities. Appendixes present this information in more detail. Claims data are given for the State and for local offices.

RHODE ISLAND. STATE EMPLOYMENT SERVICE. *Employment Service Interviewer*. Providence. Monthly. Processed.

Articles, informational notes, and a statistical monthly activity report of the State Employment Service.

VIRGINIA. STATE EMPLOYMENT SERVICE. *News Bulletin*. Richmond. Irregular. Processed.

Articles and statistics of placement. Special tables relate to veterans' placement activities.

WEST VIRGINIA. STATE EMPLOYMENT SERVICE. *Employment Service of West Virginia*. Charleston. Monthly. Processed.

Articles of professional interest and statistical summaries of employment service activities.

WISCONSIN. INDUSTRIAL COMMISSION. *Activities of Wisconsin State Employment Service*. Madison. Monthly. Processed. Prepared by the Statistical Department.

Consists of 40-50 tables on employment service activities, with data for the State, for individual offices, and for the itinerant service.

WISCONSIN. INDUSTRIAL COMMISSION. *Wisconsin Labor Market*. Madison. Monthly.

Statistics of employment and pay rolls in manufacturing industries, contracting, and retail and wholesale trade.

WISCONSIN. INDUSTRIAL COMMISSION. UNEMPLOYMENT COMPENSATION DEPARTMENT. *Tables*. Place not given. Monthly and irregular. Processed. Prepared by the Statistical Department.

Comprehensive statistical data, monthly and cumulative, on such subjects as total "defined" employment and pay roll, analyzed by industry; benefits paid, by industry, and by post-office address of employee; claims filed, by place; appeals by employees and employers from initial determinations; and decisions on appeals. The tables are issued separately. A compilation showing the individual experience of 7,408 employer reserve accounts through June 30, 1938, has appeared in this series.

The March issue of the Bulletin will carry a list of published annual reports of State unemployment compensation agencies received by the Social Security Board.